

LG Electronics Inc.

Separate financial statements
for the year ended December 31, 2024
with the independent auditor's report

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Independent auditor's report

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Independent auditor's report

The Stockholders and Board of Directors LG Electronics Inc.

Opinion

We have audited the separate financial statements of LG Electronics Inc. (the "Company"), which comprise the separate statement of financial position as of December 31, 2024, and the 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, and the notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and Korean Standards on Auditing (KSA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the separate financial statements of the current period. This matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

(a) Impairment test of investments in associate related to LG Display Co., Ltd.

1) Reasons why the matter was determined as a key audit matter

As described in Note 13 to the separate financial statements, the Company holds 36.7% ownership in LG Display Co., Ltd., over which the Company exercises significant influence, and accordingly classifies its shares in the entity as the investment in associates. As of December 31, 2024, the book value of its shares in LG Display Co., Ltd. amounts to ₩3,247,980 million, which account for 9.31% of total assets held by the Company.

As of December 31, 2024, the market value of the Company's shares in LG Display Co., Ltd. is significantly lower than the book value, and LG Display Co., Ltd. continues to incur operating losses, which are considered indicators of impairment. In accordance with KIFRS 1036 *Impairment of Assets*, the Company performed an impairment test by determining the recoverable amount based on the value-in-use, calculated by discounting the expected future cash flows from the relevant assets at an appropriate discount rate.

We determined the impairment test of investments in associate as a key audit matter, since the amount of investments in the associate accounts for a significant portion of the Company's total assets, and estimating future cash flows in the value-in-use assessment is complex and involves significant management's judgments.

2) How our audit addressed the key audit matter

We have performed the following audit procedures in relation to the valuation model, key assumptions, and judgments associated with the value-in-use assessment. We also involved our valuation specialists when performing these audit procedures. Our audit procedures included:

- Understanding and evaluating the accounting policies and internal controls of the Company related to impairment testing of investments in associates.
- Reviewing management's assessment on whether there are any indicators of impairment for the investments in associates held by the Company.
- Evaluating the qualifications, competence, and objectivity of the specialists involved in the value-in-use assessment by the Company's management.
- Making inquiries and reviewing the valuation model applied by the Company's management.
- Understanding LG Display Co., Ltd.'s future cash flow projections and assessing if such estimates are based on the business plans approved by management.
- Assessing the reasonableness of the estimates made under the past business plan of LG Display Co., Ltd. by comparing the actual performance with the past business plans.
- Evaluating the key assumptions applied in the valuation model, such as discount rates and growth rates, by comparing them with external benchmarks from the same industry and historical financial information of LG Display Co., Ltd.
- Performing an independent recalculation of the discount rate used for the cash flow discounting and comparing it with the discount rate applied in the impairment test.
- Assessing the result of sensitivity analysis on discount rate and permanent growth rate performed by management for the purposes of evaluating the impact of changes in key assumptions on the impairment assessment.

Other matters

The separate financial statements of the Company for the year ended December 31, 2023 have been audited by Samil PwC, in accordance with ISA and KSA, whose report dated March 14, 2024, expressed an unqualified opinion thereon. The auditor mentioned above has expressed an unqualified opinion on the separate financial statements in which the adjustments described in Note 36 are not reflected, while such adjustments are reflected in the separate financial statements for the year ended December 31, 2023 presented herein for comparative purposes.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA or KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA and KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jung Ho Chae.

Ernst & Young Han Young

March 12, 2025

This audit report is effective as of March 12, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying separate financial statements and may result in modifications to this report.

LG Electronics Inc.
Separate financial statements
for each of the two years in the period ended December 31, 2024

“The accompanying 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.
Separate statements of financial position
as of December 31, 2024 and 2023

(in millions of Korean won)

	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4,5,35	1,204,080	2,349,705
Deposits held by financial institutions	4,5,35	-	20,863
Trade receivables	4,6,35	6,275,525	5,393,204
Other receivables	4,6,35	1,339,202	458,642
Other financial assets	4,7,35	62,670	19,106
Inventories	8	1,465,092	1,369,524
Current tax assets		26,270	23,395
Contract assets	9	1,028,262	741,957
Other current assets	10	535,896	381,541
		<u>11,936,997</u>	<u>10,757,937</u>
Non-current assets			
Deposits held by financial institutions	4,5,35	120,631	120,652
Trade receivables	4,6,35	1,563,723	617,892
Other receivables	4,6,35	410,669	1,169,185
Other financial assets	4,7,35	477,908	268,906
Property, plant and equipment	11	6,224,208	6,030,130
Intangible assets	12	2,681,854	2,097,399
Deferred tax assets	18	2,197,033	1,616,968
Investments in subsidiaries, associates and joint ventures	13	8,642,277	8,391,013
Investment properties	14	76,144	80,507
Net defined benefit assets	19	319,380	347,307
Contract assets	9	181,522	177,510
Other non-current assets	10	66,136	72,147
		<u>22,961,485</u>	<u>20,989,616</u>
Total assets		<u>34,898,482</u>	<u>31,747,553</u>
Liabilities			
Current liabilities			
Trade payables	4,35	6,787,335	5,808,472
Borrowings	4,15,35	901,800	1,604,369
Lease liabilities	4,16,35	72,610	74,853
Other payables	4,17,35	2,492,269	2,156,944
Other financial liabilities	4,7,35	7,682	13,466
Current tax liabilities		29,713	14,515
Provisions	20	1,059,834	597,772
Contract liabilities	9	1,152,649	821,195
Other current liabilities	21	2,104,643	2,141,883
		<u>14,608,535</u>	<u>13,233,469</u>
Non-current liabilities			
Borrowings	4,15,35	8,460,942	7,620,242
Lease liabilities	4,16,35	55,562	80,611
Other payables	4,17,35	11,890	11,960
Other financial liabilities	4,7,35	63,158	63,437
Provisions	20	71,398	83,556
Contract liabilities	9	3,772	5,432
Other non-current liabilities	21	146,174	133,299
		<u>8,812,896</u>	<u>7,998,537</u>
Total liabilities		<u>23,421,431</u>	<u>21,232,006</u>
Equity			
Paid-in capital:	22		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	23	7,539,176	6,566,223
Accumulated other comprehensive income (loss)	24	(21,654)	(10,205)
Other components of equity	25	(32,819)	(32,819)
Total equity		<u>11,477,051</u>	<u>10,515,547</u>
Total liabilities and equity		<u>34,898,482</u>	<u>31,747,553</u>

LG Electronics Inc.

Separate statements of profit or loss

for each of the two years in the period ended December 31, 2024

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

	Notes	2024	2023
Continuing operations			
Net sales	26	30,762,552	28,868,175
Cost of sales	27	22,359,808	21,156,601
Gross profit		8,402,744	7,711,574
Selling expenses	27,28	4,151,395	3,711,824
Administrative expenses	27,28	907,969	810,193
Research and development expenses	27,28	1,927,679	1,783,340
Service costs	27,28	856,737	719,410
Operating profit (loss)		558,964	686,807
Financial income	29	533,170	683,895
Financial expenses	29	581,565	861,734
Other non-operating income	30	2,454,444	2,852,074
Other non-operating expenses	30	1,856,186	1,999,716
Profit (Loss) before income tax		1,108,827	1,361,326
Income tax expense (benefit)	18	(311,856)	240,232
Profit (Loss) from continuing operations		1,420,683	1,121,094
Discontinued operations			
Profit (Loss) from discontinued operations	36	(284,050)	(116,998)
Profit (Loss) for the period		1,136,633	1,004,096
Earnings (Losses) per share during the period			
(in Korean won):	31		
Earnings (Losses) per ordinary share			
From continuing operations		7,885	6,221
From discontinued operations		(1,577)	(650)
		6,308	5,571
Earnings (Losses) per preferred share			
From continuing operations		7,935	6,271
From discontinued operations		(1,577)	(650)
		6,358	5,621

LG Electronics Inc.**Separate statements of comprehensive income****for each of the two years in the period ended December 31, 2024***(In millions of Korean won)*

	Notes	2024	2023
Profit (Loss) for the period		1,136,633	1,004,096
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	19	71,265	(201,705)
Financial assets at fair value through other comprehensive income	7	891	681
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Cash flow hedges	35	(12,340)	(49,649)
Other comprehensive income(loss) for the period, net of tax		59,816	(250,673)
Total comprehensive income (loss) for the period, net of tax		1,196,449	753,423

LG Electronics Inc.
Separate statements of changes in equity
for each of the two years in the period ended December 31, 2024

(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		-	1,004,096	-	-	1,004,096
Remeasurements of the net defined benefit liability	19	-	(201,705)	-	-	(201,705)
Financial assets at fair value through other comprehensive income	7	-	-	681	-	681
Cash flow hedges	35	-	-	(49,649)	-	(49,649)
Total comprehensive income (loss)		-	802,391	(48,968)	-	753,423
Transactions with owners:						
Dividends	23	-	(126,905)	-	-	(126,905)
Total transactions with owners		-	(126,905)	-	-	(126,905)
Balance as of December 31, 2023		3,992,348	6,566,223	(10,205)	(32,819)	10,515,547
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		-	1,136,633	-	-	1,136,633
Remeasurements of the net defined benefit liability	19	-	71,265	-	-	71,265
Financial assets at fair value through other comprehensive income	7	-	-	891	-	891
Cash flow hedges	35	-	-	(12,340)	-	(12,340)
Total comprehensive income (loss)		-	1,207,898	(11,449)	-	1,196,449
Transactions with owners:						
Dividends	23	-	(234,945)	-	-	(234,945)
Total transactions with owners		-	(234,945)	-	-	(234,945)
Balance as of December 31, 2024		3,992,348	7,539,176	(21,654)	(32,819)	11,477,051

LG Electronics Inc.
Separate statements of cash flows
for each of the two years in the period ended December 31, 2024
(in millions of Korean won)

	Notes	2024	2023
Cash flows from operating activities			
Cash generated from (used in) operations	32	932,512	(29,145)
Interest received		144,327	124,290
Interest paid		(328,347)	(294,086)
Dividend received		1,280,744	1,788,396
Income tax paid		(162,821)	(281,844)
Net cash provided by (used in) operating activities		1,866,415	1,307,611
Cash flows from investing activities			
Decrease in deposits held by financial institutions		8,757	113,293
Decrease in other receivables		58,769	71,412
Proceeds from withdrawal and disposal of other financial assets		352	9,475
Proceeds from disposal of property, plant and equipment		19,869	12,380
Proceeds from disposal of intangible assets		10,254	5,827
Proceeds from withdrawal and disposal of investments in subsidiaries, associates and joint ventures		1,796	61,852
Proceeds from disposal of business unit		6,252	-
Increase in deposits held by financial institutions		(7,874)	(158,316)
Increase in other receivables		(52,585)	(1,060,559)
Acquisition of other financial assets		(26,610)	(18,322)
Acquisition of property, plant and equipment		(745,249)	(511,520)
Acquisition of intangible assets		(1,126,194)	(703,340)
Acquisition of investments in subsidiaries, associates and joint ventures		(705,320)	(121,744)
Net cash provided by (used in) investing activities		(2,557,783)	(2,299,562)
Cash flows from financing activities			
Increase in borrowings		1,416,655	2,818,212
Repayments of borrowings		(1,560,020)	(1,207,347)
Dividend paid	23	(234,945)	(126,905)
Repayments of lease liabilities		(75,947)	(73,694)
Net cash provided by (used in) financing activities		(454,257)	1,410,266
Effects of exchange rate changes on cash and cash equivalents		-	(10,225)
Net increase (decrease) in cash and cash equivalents		(1,145,625)	408,090
Cash and cash equivalents at the beginning of the period	5	2,349,705	1,941,615
Cash and cash equivalents at the end of the period	5	1,204,080	2,349,705

LG Electronics Inc.

Notes to the separate financial statements

December 31, 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 depositary receipts (“GDRs”), are listed on the London Stock Exchange as of December 31, 2024. The Company is domiciled in Korea at Yeoui-daero, Yeongdeungpo-gu, Seoul.

As of December 31, 2024, LG Corp. owns 34.3% 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 component Solutions segment designing and manufacturing automobile parts; and Business Solutions segment manufacturing and selling monitors, PCs, information displays and others. As of December 31, 2024, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek and Gumi in the Republic of Korea.

2. Material accounting policies

The principal accounting policies applied in the preparation of these separate financial statements are stated below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Company maintains its accounting records in Korean won (presented as “Korean won,” “KRW” or “W”) and prepares statutory financial statements in the Korean language (Hangeul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS).

The separate financial statements of the Company have been prepared in accordance with KIFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The preparation of separate financial statements requires the use of material accounting estimates. Management also needs to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 3.

LG Electronics Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

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 as of December 31, 2024. Classification is unaffected by the likelihood that an entity will exercise the right to defer settlement of the liability or by management's expectations. The settlement of a liability includes the transfer of the entity's own equity instruments; however, this does not apply when an option to settle a compound financial instrument with the entity's own equity instruments meets the definition of an equity instrument and is separately recognized from the liability component. In addition, covenants that the Company is required to comply with after the reporting period do not affect classification as current or non-current at the reporting date. If the Company classifies a liability as non-current at the reporting date despite being subject to covenants that must be complied with within twelve months after the reporting period, the entity shall disclose information in the notes to enable users to understand the risk that such liabilities could become repayable within that period. The amendments do not have a material impact on the 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 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 separate financial statements.

- *Disclosure of Virtual Assets* – Amendments to KIFRS 1001 *Presentation of Financial Statements*

These amendments mandate entities to disclose material information for the financial statement users such as the impact of holding and issuing virtual assets on their accounting policies and financial statements. The entities should separately disclose information related to holding virtual assets, holding them on behalf of the customers, and issuing them. The additional disclosure requirements arising from these amendments have been included in the relevant notes.

LG Electronics Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

(b) Newly enacted and amended standards issued, but not effective as of December 31, 2024 and not early adopted by the Company.

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

The amendments require entities to assess the exchangeability of a currency and, if the currency is not exchangeable into another currency, to estimate the spot exchange rate and disclose relevant information. 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 separate financial statements.

- *Financial Instruments* – Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*

In response to questions raised in practice and to incorporate new requirements, the amendments have been made to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures*. These amendments apply to annual reporting periods beginning on or after January 1, 2026. The Company does not expect that these amendments will have a material impact on the financial statements. The amendments:

- allow financial liabilities to be considered as settled (derecognized) before the settlement date if they are settled via an electronic payment system and meet specific criteria.
- clarify and introduces additional guidance for assessing whether a financial asset meets the criteria of having cash flows that are solely payments of principal and interest.
- require the disclosure of the extent to which an entity is exposed to contractual terms that alter the timing or amount of contractual cash flows, categorised by type of financial instrument; and
- introduce additional disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVOCI).

- Annual Improvements to KIFRS – Volume 11

Annual Improvements to KIFRS – Volume 11 apply to annual reporting periods beginning on or after January 1, 2026. The Company does not expect that these amendments will have a material impact on the financial statements.

- KIFRS 1101 *First-time Adoption of KIFRS*: Application of hedge accounting upon first-time adoption of K-IFRS
- KIFRS 1107 *Financial Instruments: Disclosures*: Derecognition gains or losses, application guidance in practice
- KIFRS 1109 *Financial Instruments*: Derecognition of lease liabilities and definition of transaction price

LG Electronics Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

- KIFRS 1110 *Consolidated Financial Statements*: Determination of a de facto agent
- KIFRS 1007 *Statement of Cash Flows*: Cost method

2.2 Investments in subsidiaries, associates and joint ventures

When the Company currently has the right to substantially access to the returns associated with an ownership interest, the investments in subsidiaries, associates and joint ventures are recorded at acquisition cost on the basis of the direct equity interest in accordance with KIFRS 1027 *Separate Financial Statements*. In all other cases, investments are accounted for in accordance with KIFRS 1109 *Financial Instruments*. The Company recognizes dividend income from subsidiaries, associates and joint ventures in profit or loss when its right to receive the dividend is established.

2.3 Segment reporting

Operating segments are established on the basis of business divisions whose internal reporting is provided to the chief operating decision-maker who is the chief executive officer. Segmental disclosures are disclosed in Note 4 of the consolidated financial statements in accordance with KIFRS 1108 *Operating Segment*.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The separate financial statements are presented in Korean won, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation in case of items subject to re-measurement. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the separate statements of profit or loss, except cash flow hedges qualifying to be recognized in other comprehensive income.

Changes in the fair value of monetary debt securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

LG Electronics Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

Translation differences on non-monetary financial assets and liabilities are recognized in the separate statements of profit or loss as part of the fair value gain or loss - translation differences arising from equities held at fair value through profit or loss are recognized in profit or loss, and those arising from equities held at fair value through other comprehensive income are recognized in other comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at banks, and other short-term highly liquid investments with original maturities of three months or less.

2.6 Financial instruments

2.6.1 Classification

(a) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated investments in equity instruments are recognized in profit or loss.

(b) Financial liabilities

Financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

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The Company classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost.

2.6.2 Recognition and measurement

Typical purchases and sales of financial assets are recognized on the trade date. At initial recognition, the Company measures a financial asset and financial liabilities at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other non-operating income and expenses' and impairment losses are presented in 'other non-operating expenses'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the income statement under 'other non-operating income and expenses' in the year in which it arises.

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(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments, which are held for long-term investment or strategic purpose, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continue to be recognized in profit or loss as 'other non-operating income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other non-operating income and expenses' in the income statement as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income is not reported separately from other changes in fair value.

2.6.3 Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, contract assets, and lease receivables, the Company applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

2.6.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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2.6.5 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Company classified the financial liability as 'borrowings' in the statement of financial position.

Financial liabilities are derecognized from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.7 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss that does not meet the conditions for hedge accounting is recognized in 'other non-operating income (expenses)' or 'financial income (expenses)' in the separate statements of profit or loss according to the nature of transactions.

For cash flow hedges, the Company separates and excludes the foreign currency basis spread from the designation of a financial instrument as the hedging instrument.

The effective portion of changes in the fair value of derivatives excluding the foreign currency basis spread, that qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the separate statements of profit or loss under 'other non-operating income (expenses)' or 'financial income (expenses)'. In addition, changes in the foreign currency basis spread of derivatives related to the hedged item is recognized within other comprehensive income.

Amounts accumulated in other comprehensive income are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the separate statements of profit or loss under 'other non-operating income (expenses)' or 'financial income (expenses)'.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

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2.8 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the collection of trade receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value, less allowance for doubtful debts.

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method, except for inventories in-transit whose cost is determined using the specific identification method. The cost of finished goods and work-in-process comprises of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). The Company periodically reviews a possibility of significant changes in net realizable value of inventories from not in use, decrease in market value and obsolescence, and recognizes as Allowances for Valuation of Inventories. Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

2.10 Assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as 'assets held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of carrying amount and the fair value less costs to sell.

When a component of discontinued operations or a component of the Company representing a separate major line of business or geographical area of operation has been disposed of, or is subject to a sale plan involving loss of control of a subsidiary, the Company discloses in the separate statements of profit or loss the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation. The net cash flows attributable to the operating, investing and financing activities of discontinued operations are presented in the notes to the separate financial statements.

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2.11 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the separate statements of profit or loss during the financial period in which they are incurred.

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their acquisition cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	Useful lives
Buildings and Structures	20, 40 years
Machinery	5, 10 years
Tools and Equipment	5 years
Supplies	5 years
Other	5 years

Each asset's depreciation method, residual values, and useful lives are reviewed and adjusted if necessary, at the end of each reporting period. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. . Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the separate statements of profit or loss as other non-operating income (expenses).

2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized during the period of time that is required to prepare the asset for its intended use. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.13 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from the related expense.

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2.14 Intangible assets

(a) Goodwill

The excess of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

(b) Industrial property rights

Industrial property rights are shown at historical cost. Industrial property rights have a limited useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of industrial property rights over their estimated useful lives of 10 years.

(c) Development costs

New product development project is processed through product planning, design planning, product design, mass production verification, production readiness approval, and shipment approval. The Company generally recognizes expenditures incurred during and after the product design phase as development costs, and expenditures incurred before the phase are recognized as expenses within research and development expenses. Costs recognized as development costs are controlled by the Company and directly attributable to identifiable development projects, and meet all of the following criteria.

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset to use or sell it;
- it has the ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development for using and selling the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Amortization of development costs based on the straight-line method over their estimated useful lives of 1 year or 3 years begins at the commencement of sale or use of the related products.

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(d) Membership

Membership rights are regarded as intangible assets with an indefinite useful life and are not amortized because there is no foreseeable limit to the period over which the assets are expected to be utilized. All membership rights are tested annually for impairment and stated at acquisition cost less accumulated impairment losses.

(e) Other intangible assets

Other intangible assets such as licensed assets, customer relationships, values of techniques, software and which meet the definition of an intangible asset are amortized using the straight-line method over their estimated useful lives of 5 or 10 years.

(f) Virtual assets

The Company classifies individually acquired virtual assets as intangible assets and recognizes them at acquisition cost, which includes the purchase price and costs directly related to the acquisition, if any. virtual-assets classified as intangible assets are considered to have an indefinite useful life and are not subject to amortization, accordingly. The cost of disposed virtual assets disposed is determined using the first-in, first-out (FIFO) method.

The Company performs an impairment test on virtual assets classified as intangible assets annually or when there is an indication of impairment, and their carrying amount is measured net of accumulated impairment losses. Impairment losses and gains or losses on disposal of virtual assets are recognized in other non-operating income or expenses.

2.15 Investment property

Investment property is held to earn rentals or for capital appreciation or both. Investment property is measured initially at its cost including transaction costs incurred in acquiring the asset. After its initial recognition, investment property is carried at its cost less any accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the separate statements of profit or loss during the financial period in which they are incurred.

Land held for investment is not depreciated. Investment property, except for land, is depreciated using the straight-line method over their estimated useful lives of 20 or 40 years.

Management reviews the depreciation method, the residual value and the useful life of an asset at the end of each period. If it is decided that previous estimates should be adjusted, the adjustment is accounted for as a change in an accounting estimate.

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2.16 Impairment of non-financial assets

Goodwill and intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment. As of December 31, 2024 and 2023, assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized as profit or loss for the year for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use.

The value-in-use is measured by determining the estimated pre-tax cash flows based on past performance and its expectations of market development, and applying the pre-tax discount rates that reflect specific risks relating to the relevant operating segments. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment loss are reviewed for possible reversal of the impairment as of December 31, 2024 and 2023.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Current trade payables measured initially at fair value are not significantly different from amortized cost using the effective interest method.

2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the separate statements of profit or loss over the period of the borrowings using the effective interest method. The Company classifies the liability as current as long as it does not have an unconditional right to defer its settlement over 12 months after the end of the reporting period.

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2.19 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the original or modified terms of a debt instrument. Financial guarantees contracts provided by the Company are initially measured at fair value on the date the guarantee was given. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the following amounts below and recognized as 'other financial liabilities':

(a) the amount determined in accordance with the expected credit loss model under KIFRS 1109 *Financial Instruments*; and

(b) the amount initially recognized less the cumulative amount of income recognized in accordance with KIFRS 1115 *Revenue from Contracts with Customers*

2.20 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and an outflow of resources required to settle the obligation is probable and can be reliably estimated. The Company recognizes a warranty provision, a provision for restoration, and a provision for litigation.

A warranty provision is accrued for the estimated costs of future warranty claims based on historical experience. Where the Company, as a tenant, is required to restore its leased assets to their original state at the end of the lease-term, the Company recognizes the present value of the estimated cost of restoration as a provision for restoration. When there is a probability that an outflow of economic benefits will occur from litigation or disputes, and whose amount is reasonably estimable, a corresponding amount of provision is recognized as a provision for litigation in the separate financial statements.

A contingent liability is disclosed (See Note 33) when:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because: it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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2.21 Current and deferred income tax

The tax expense for the year consists of current and deferred tax. Tax is recognized in the separate statements of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted as of at the end of the reporting period in jurisdictions where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. It represents future tax consequences that will arise when recovering or settling the carrying amount of its assets and liabilities. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor tax profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by December 31, 2024 and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized only to the extent that it is probable that the deductible temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2.22 Employee benefits

(a) Retirement benefits

The Company operates a defined contribution and a defined benefit plan as its retirement benefit plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate fund. The Company has no legal or constructive obligations to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when an employee has rendered service. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation as of December 31, 2024 less the fair value of plan assets. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds and that have terms to maturity approximating to the terms of the related pension obligation. The remeasurements of the net defined benefit liabilities are recognized in other comprehensive income.

If any plan amendments, curtailments, or settlements occur, past service costs or any gains or losses on settlement are recognized as profit or loss for the year.

(b) Other long-term employee benefits

The Company provides other long-term employee benefits to their employees. The entitlement to these benefits is usually conditional on the employee working more than ten years. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Company recognizes past service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year. These benefits are calculated annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: when the entity can no longer withdraw the offer of those benefits or when the entity recognizes costs for a restructuring.

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(d) Share-based payments

The acquiree may have outstanding share-based payment transactions that the acquirer does not exchange for its share-based payment transactions. If vested, those acquiree share-based payment transactions are part of the non-controlling interest in the acquiree and are measured at their market-based measure as of the acquisition date. If unvested, the market-based measure of unvested share-based payment transactions is allocated to the non-controlling interest on the basis of the ratio of the portion of the vesting period completed to the greater of the total vesting period and the original vesting period of the share-based payment transaction. The balance is allocated to post-combination service.

2.23 Share capital

Ordinary shares and preferred shares without any obligation to repay are classified as equity. Where the Company purchases its own ordinary shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such treasury shares are subsequently reissued, any consideration received is included in equity attributable to owners of the Company.

2.24 Revenue recognition

(a) Identify performance obligation

The Company sells home appliances, TVs, monitors, automobile parts, information displays and others. If the contract with a customer includes any separate services in addition to sales of goods, the Company identifies performance obligations of the services to be rendered from such sales contracts.

According to the rules and guidance on the terms and conditions of international trading (INCOTERMS 2020), the Company recognizes the transportation services as a separate performance obligation apart from the sale of goods, under the transactions with the rules where seller is responsible for paying shipping cost and insurance premium.

The Company determines standard warranty coverage periods per product and country, considering warranty periods required by law and others when entering into contracts with customers for the sales of products. If the Company provides an extended warranty beyond the standard warranty coverage periods or a customer has the option to purchase an additional warranty separately, the Company identifies the warranty as a separate performance obligation and recognizes revenue.

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(b) A performance obligation satisfied at a point in time

Sales of goods are recognized when the Company has delivered products to the customer. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with volume discounts and customers have a right to return faulty products. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual sales. The Company recognizes provisions for product warranties and contract liabilities for sales returns based on reasonable expectation reflecting warranty obligation and sales return rates incurred historically.

For royalty contracts, if there are no other goods or services provided to customer in the contracts other than obligations to provide license, the nature of the contracts are provision of right to use the Company's intellectual property that exist at the time of transfer. This means that the customer can direct the use of and obtain substantially all of the remaining benefits from the license at the point in time at which the license transfers. The Company determined the royalty income as a performance obligation satisfied at a point in time.

(c) A performance obligation satisfied over time

The Company builds and sells customized equipment and design plan for a customer. The revenue is recognized over time by measuring progress only if the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. The Company performed an analysis on those contracts and determined the Company has an enforceable right to payment for performance completed to date; therefore, the revenue is recognized over time using input methods by measuring the percentage of completion.

When the outcome of a transaction involving the rendering of services provided separately to customers can be estimated reliably, revenue associated with such transaction is recognized by reference to the percentage of completion of the services. Any changes in expected revenue, cost or the amount of services rendered are accounted for as changes in estimates. These changes in estimates may bring adjustments to the expected revenue or cost which is recognized in the profit or loss in the period in which management recognizes the changes in circumstances.

The Company receives licensing fees for the trademark held by the Company from subsidiaries and associates. The Company continues to develop the trademark's value and performs marketing activities through various media such as TV, internet, exhibitions, road shows and others. The nature of the Company's promise in granting a license is a promise to provide a right to access the Company's intellectual property over a license period; therefore, the Company determined the promised license is a performance obligation that is satisfied over time.

Income from rental, lease, extended guarantees and others is recognized on a straight-line basis over the period of the contract.

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(d) Variable consideration

The Company estimates an amount of variable consideration by using the expected value which the Company expects to better predict the amount of consideration. The Company recognizes revenue with transaction price including variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the refund period has lapsed. The refund liability is measured at the amount of consideration received for which the Company does not expect to be entitled.

(e) Allocating the transaction price

The transaction price in an arrangement must be allocated to each separate performance obligation based on the relative stand-alone selling prices of the goods or services being provided to a customer. The Company determines the stand-alone selling price for each separate performance obligation by using an 'adjusted market assessment approach'. In limited circumstances, the Company plans to use an 'expected cost plus a margin approach' to estimate expected cost plus a reasonable margin.

(f) Returns

A gross contract liability (refund liability) for the expected returns to customers is recognized as adjustment to revenue, and the Company has a right to recover the product from the customer when the customer exercises his right of return and recognizes an asset and a corresponding adjustment to cost of sales. A right to recover the products is measured at former carrying amount of the product less the costs to recover the products.

(g) Significant financing component

In general, the period between the transfer of the promised goods or services to the customer and the payment made by the customer is less than one year. In this case, the Company uses the practical expedient in which the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

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2.25 Leases

Company as a Lessee

The Company leases various offices, warehouses, retail stores, equipment and cars. A lease term is normally determined considering non-cancellable period of a lease and its extension options. Lease conditions are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated to the repayment of lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(a) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- estimated restoration costs

(b) Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

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- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

However, payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The underlying assets of low-value lease assets are comprised of IT-equipment below US\$ 5,000 and others.

Company as a lessor

A lessor classifies each of its leases as either an operating lease or a finance lease. A lease that transfers substantially all the risks and rewards incidental to ownership of underlying asset is classified as a finance lease, and a lease other than a finance lease is classified as an operating lease. In a finance lease, the amount received from the lessee is recognized as receivables as a net investment in the lease. The Company distributes finance income over the lease term in a way that a certain period of return is reflected in the net investment amount of the lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the separate statement of financial position based on their nature.

2.26 Dividend distribution

A dividend liability is recognized when the dividends are approved by the shareholders at their general meeting.

2.27 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares issued excluding shares purchased by the Company that are held as treasury shares. Preferred shares have a right to participate in the profits of the Company. These participation rights have been considered in presenting the EPS for ordinary shares and preferred shares.

2.28 Greenhouse gas emissions rights (allowances) and obligations

Emission rights are defined as allowed amount of emissions that can be released, allocated by the Korean government as 'Act on the Allocation and Trading of Greenhouse-Gas Emission Permits' takes effect. Emission rights that are received free of charge from the government are measured at zero, while the rights purchased additionally from trading market such as the Korea Exchange are measured at acquisition cost. Emission rights are subsequently stated as acquisition cost less accumulated impairment loss. Emission liabilities are measured as the sum of the carrying amount of emission rights to be delivered to the government to settle the obligation for emissions occurred and expected expenditure required at the end of the reporting period for any excess emissions. The emission rights and liabilities are classified as 'intangible assets' and 'provisions', respectively, in the separate statement of financial position.

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3. Material accounting estimates and judgments

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 has 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.

Material accounting estimates and assumptions applied in the preparation of the 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 reporting date are addressed below.

(a) Revenue recognition

The Company recognizes revenue over time using the percentage of completion method for the rendering of services 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 and others

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

(c) Income taxes

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

(d) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing as of December 31, 2024.

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(e) Provisions

The Company recognizes provisions for product warranties and others based on their historical data as of December 31, 2024.

(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.

(g) Development costs

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

(h) Leases

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

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

When the Company is a lessor, management estimates the lease period by considering non-cancellable lease period in the contract. And management compares a major part of the economic life of the underlying asset with the lease period and classifies it as a finance lease if the lease period exceeds for a major part of the economic life of the underlying asset. When classified as a financial lease, the Company recognizes income at the lower of the lease net investment discounted at the market interest rate and the sale price of the underlying asset.

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4. Financial instruments by category and offsetting financial assets and financial liabilities

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

<i>(in millions of Korean won)</i>	December 31, 2024				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	1,204,080	-	-	-	1,204,080
Deposits held by financial institutions	120,631	-	-	-	120,631
Trade receivables	5,914,571	220,898	-	1,703,779	7,839,248
Other receivables	1,749,871	-	-	-	1,749,871
Other financial assets and others	-	68,728	109,227	377,325	555,280
Total	8,989,153	289,626	109,227	2,081,104	11,469,110

<i>(in millions of Korean won)</i>	December 31, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	6,787,335	-	-	6,787,335
Borrowings	9,362,742	-	-	9,362,742
Lease liabilities	-	-	128,172	128,172
Other payables	2,504,159	-	-	2,504,159
Other financial liabilities	-	27,848	42,992	70,840
Total	18,654,236	27,848	171,164	18,853,248

<i>(in millions of Korean won)</i>	December 31, 2023				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	2,349,705	-	-	-	2,349,705
Deposits held by financial institutions	141,515	-	-	-	141,515
Trade receivables	5,189,911	212,773	-	608,412	6,011,096
Other receivables	1,627,827	-	-	-	1,627,827
Other financial assets and others	-	66,926	80,702	155,086	302,714
Total	9,308,958	279,699	80,702	763,498	10,432,857

<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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(b) Net gains or losses on each category of financial instruments for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	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	142,893	-	-	-	142,893
Exchange differences	765,683	-	-	-	765,683
Bad debt expenses	(986)	-	-	(5,979)	(6,965)
Loss on disposal of trade receivables	-	(242)	-	-	(242)
Dividend income	-	257	347	-	604
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(1,000)	-	(1,000)
Profit (Loss) for the year from discontinued operations	7,198	-	-	-	7,198
Fair value gain (loss), net of tax (through other comprehensive income)	-	891	-	-	891
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	(8,151)	(8,151)
Others	(953)	-	-	-	(953)

<i>(in millions of Korean won)</i>	2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(339,319)	-	61,584	(277,735)
Exchange differences	(1,089,358)	-	257,102	(832,256)
Gain (Loss) on derivatives (through profit or loss)	-	(40,946)	-	(40,946)
Profit (Loss) for the year from discontinued operations	(43,888)	-	-	(43,888)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(4,189)	(4,189)
Others	(2,588)	-	1,744	(844)

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<i>(in millions of Korean won)</i>	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	130,216	-	-	-	130,216
Exchange differences	90,188	-	-	-	90,188
Bad debt expenses	(3,602)	-	-	(1,374)	(4,976)
Loss on disposal of trade receivables	-	(624)	-	-	(624)
Dividend income	-	189	969	-	1,158
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(6,410)	-	(6,410)
Profit (Loss) for the year from discontinued operations	(6,598)	-	-	-	(6,598)
Fair value gain (loss), net of tax (through other comprehensive income)	-	681	-	-	681
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	(30,342)	(30,342)
Others	(6,856)	-	-	-	(6,856)

<i>(in millions of Korean won)</i>	2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(317,449)	-	50,975	(266,474)
Exchange differences	(100,656)	-	15,563	(85,093)
Gain (Loss) on derivatives (through profit or loss)	-	3,852	-	3,852
Profit (Loss) for the year from discontinued operations	(40,460)	-	-	(40,460)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(19,307)	(19,307)
Others	(9,953)	-	1,621	(8,332)

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(c) Details of financial instruments that are subject to enforceable master netting arrangements or similar arrangements as of December 31, 2024 and 2023 are as follows:

December 31, 2024						
(in millions of Korean won)	Recognized financial instrument	Recognized financial instrument offset	Net amounts presented in the statement of financial position	Amounts not offset		
				Financial instruments	Cash collateral	Net amount
Financial assets						
Trade receivables	151,258	(151,258)	-	-	-	-
Financial liabilities						
Trade payables	293,842	(151,258)	142,584	-	-	142,584
December 31, 2023						
(in millions of Korean won)	Recognized financial instrument	Recognized financial instrument offset	Net amounts presented in the statement of financial position	Amounts not offset		
				Financial instruments	Cash collateral	Net amount
Financial assets						
Trade receivables	85,934	(85,934)	-	-	-	-
Financial liabilities						
Trade payables	209,046	(85,934)	123,112	-	-	123,112

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5. Cash and cash equivalents and deposits held by financial institutions

(a) Cash and cash equivalents

Cash and cash equivalents in the separate statements of financial position are equal to the cash and cash equivalents in the separate statements of cash flows. Details of cash and cash equivalents as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Cash on hand	60	86
Bank deposits ¹	1,204,020	2,349,619
Total	1,204,080	2,349,705

¹ As of December 31, 2024, bank deposits include ₩3,178 million (2023: nil) of deposits restricted in use amounting to ₩3,178 million (2023: nil) in relation to value-added.

(b) Deposits held by financial institutions

The deposits held by financial institutions restricted in use as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Deposits related to transfer of business	-	20,863
Subtotal	-	20,863
Non-current		
Deposit for mutually beneficial cooperation	120,000	120,000
Deposit for checking account	31	31
National project	600	621
Subtotal	120,631	120,652
Total	120,631	141,515

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6. Trade receivables and other receivables

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

	December 31, 2024			December 31, 2023		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
<i>(in millions of Korean won)</i>						
Trade receivables						
Current	6,322,673	(47,148)	6,275,525	5,434,267	(41,063)	5,393,204
Non-current	1,566,849	(3,126)	1,563,723	619,389	(1,497)	617,892
Other receivables						
Current	1,341,687	(2,485)	1,339,202	462,061	(3,419)	458,642
Non-current	410,683	(14)	410,669	1,169,199	(14)	1,169,185

(b) Details of other receivables as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Loans	766,086	11,357
Non-trade receivables	254,210	243,503
Accrued revenues	232,856	99,228
Deposits	86,050	104,554
Subtotal	1,339,202	458,642
Non-current		
Loans	381,347	1,135,821
Deposits	29,322	33,364
Subtotal	410,669	1,169,185
Total	1,749,871	1,627,827

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

<i>(in millions of Korean won)</i>	December 31, 2024				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
Receivables not past due	5,421,012	1,566,849	1,303,548	410,683	8,702,092
Past due but not individually impaired					
Up to 6 months	465,157	-	24,256	-	489,413
7 to 12 months	86,987	-	9,014	-	96,001
Over 1 year	274,798	-	2,530	-	277,328
Subtotal	826,942	-	35,800	-	862,742
Individually impaired	74,719	-	2,339	-	77,058
Total	6,322,673	1,566,849	1,341,687	410,683	9,641,892

<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 individually 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
Individually impaired	72,668	-	3,417	-	76,085
Total	5,434,267	619,389	462,061	1,169,199	7,684,916

(d) The Company recognizes the estimated amount for the allowance for doubtful accounts based on the aging analysis of the trade receivables and historical loss experience.

(e) The Company classifies individually impaired receivables as defaulted receivables if the receivables are impaired due to reasons including bankruptcy and insolvency of the debtors. Defaulted receivables are classified into two categories of rehabilitation related receivables and other defaulted receivables. The Company performs impairment test on rehabilitation related receivables based on expected repayment amount and recognizes impairment loss on other defaulted receivables based on types and values of collaterals.

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(f) Changes in allowance for doubtful accounts for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024			
	January 1	Addition (Reversal)	Write-off and other	December 31
Trade receivables				
Current	41,063	6,565	(480)	47,148
Non-current	1,497	1,647	(18)	3,126
Other receivables				
Current	3,419	(934)	-	2,485
Non-current	14	-	-	14
<i>(in millions of Korean won)</i>	2023			
	January 1	Addition (Reversal)	Write-off and other	December 31
Trade receivables				
Current	36,264	6,028	(1,229)	41,063
Non-current	-	1,070	427	1,497
Other receivables				
Current	7,579	(2,064)	(2,096)	3,419
Non-current	12	2	-	14

Bad debt expenses for trade receivables are included in 'selling expenses' in the separate income statement and those for other receivables are included in 'other non-operating expenses'. Allowance for doubtful accounts decrease when reasons for allowance are resolved or when the receivables are written off as there is no reasonable expectation of recovery.

(g) Some of trade receivables have been discounted through collateralized borrowing agreements with banks for the year ended December 31, 2024. In case the customers default, the Company has an obligation to pay the amounts related thereto to the banks which hold the right of indemnity. As a result, this transaction has been accounted for as a collateralized borrowing (See Note 15).

Discounted trade receivables as of December 31, 2024 amount to ₩43,462 million (2023: ₩60,269 million).

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7. Other financial assets and liabilities

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Other financial assets		
Derivatives	381,684	155,086
Financial assets at fair value through other comprehensive income	68,728	66,926
Financial assets at fair value through profit or loss	90,166	66,000
Total	540,578	288,012
Current	62,670	19,106
Non-current	477,908	268,906
 <i>(in millions of Korean won)</i>	 December 31, 2024	 December 31, 2023
Other financial liabilities		
Derivatives	56,228	65,762
Financial guarantee liability	14,612	11,141
Total	70,840	76,903
Current	7,682	13,466
Non-current	63,158	63,437

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

<i>(in millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Current				
Cross-currency swap	58,311	-	19,033	6,610
Interest rate swap	-	-	73	-
Option	4,359	-	-	-
Subtotal	62,670	-	19,106	6,610
Non-current				
Cross-currency swap	313,389	13,167	122,779	30,515
Interest rate swap	5,625	15,213	13,201	10,333
Option	-	27,848	-	18,304
Subtotal	319,014	56,228	135,980	59,152
Total	381,684	56,228	155,086	65,762

Details of major derivative contracts for the years ended December 31, 2024 and 2023 are presented in Note 35.

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(c) Changes in financial assets at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

	2024					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	December 31
Marketable equity securities	18,311	-	-	30	14,571	32,912
Unmarketable equity securities	48,615	1,093	-	(30)	(13,862)	35,816
Total	66,926	1,093	-	-	709	68,728

	2023					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	December 31
Marketable equity securities	18,271	-	(1,562)	559	1,043	18,311
Unmarketable equity securities	43,260	7,277	(1,667)	(559)	304	48,615
Total	61,531	7,277	(3,229)	-	1,347	66,926

(d) Changes in financial assets at fair value through profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

	2024					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	December 31
Unmarketable equity securities	64,867	9,812	(351)	500	(1,000)	73,828
Debt securities	1,133	15,705	-	(500)	-	16,338
Total	66,000	25,517	(351)	-	(1,000)	90,166

	2023					
<i>(in millions of Korean won)</i>	January 1	Acquisition	Disposals	Transfer	Valuation	December 31
Unmarketable equity securities	70,841	3,311	(875)	(2,000)	(6,410)	64,867
Debt securities	24,025	500	-	(23,392)	-	1,133
Total	94,866	3,811	(875)	(25,392)	(6,410)	66,000

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8. Inventories

(a) Inventories as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024			December 31, 2023		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	881,471	(26,707)	854,764	758,746	(28,653)	730,093
Work-in-process	49,953	(1,625)	48,328	66,352	(2,656)	63,696
Raw materials and supplies	507,154	(50,756)	456,398	541,547	(57,900)	483,647
Others	129,203	(23,601)	105,602	148,293	(56,205)	92,088
Total	1,567,781	(102,689)	1,465,092	1,514,938	(145,414)	1,369,524

(b) The cost of inventories recognized as an expense during the year ended December 31, 2024 amounted to ₩20,643,885 million (2023: ₩19,472,958 million). This was included in 'cost of sales'. Loss on valuation of inventories during the year ended December 31, 2024 amounted to ₩47,151 million (2023: ₩33,813 million).

(c) There is no inventory provided as collateral for borrowings as of December 31, 2024.

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9. Contract assets and contract liabilities

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Due from customers for contract work	889,184	542,849
(Less: allowance for doubtful accounts)	(6)	(5)
Refundable assets	1,080	838
Costs to fulfil contracts with customers and others	319,526	375,785
Total	1,209,784	919,467
Current	1,028,262	741,957
Non-current	181,522	177,510

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Expected promotional incentives for customers	32,867	66,844
Expected returns from customers	121,038	47,353
Customer loyalty program	98,698	55,843
Rendering of warranty services	10,149	10,506
Due to customers for contract work and others	893,669	646,081
Total	1,156,421	826,627
Current	1,152,649	821,195
Non-current	3,772	5,432

(c) Revenue recognized in relation to contract liabilities for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Revenue recognized that was included in the contract liability amount at the beginning of the year:		
Due to customers for contract work and others	416,998	307,269
Customer loyalty program	55,843	51,493
Rendering of warranty services	8,210	10,841
Total	481,051	369,603
Revenue recognized from performance obligations satisfied in previous year	45,414	3,288

(d) Unsatisfied long-term contracts

As of December 31, 2024, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations is ₩1,067,316 million (2023: ₩1,052,645 million), expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Company excluded a contract of which performance obligation had an original expected duration of one year or less.

(e) For the year ended December 31, 2024, the Company recognized an impairment loss amounting to ₩2 million (2023: ₩1 million) in relation to Due from customers for contract work, and amortization and others of ₩135,832 million (2023: ₩124,764 million) in relation to costs to fulfil contracts.

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10. Other assets

Details of other assets as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Prepayments	10,579	6,683
Prepaid expenses	216,749	175,554
Value added tax receivables	104,814	91,720
Others ¹	203,754	107,584
Subtotal	535,896	381,541
Non-current		
Long-term prepaid expenses	66,136	72,147
Total	602,032	453,688

¹ The amount agreed to be reimbursed by the related party for provisions to be paid by the Company to a third party is included.

LG Electronics Inc.
Notes to the separate financial statements
December 31, 2024 and 2023

11. Property, plant and equipment

(a) Details of property, plant and equipment as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
December 31, 2024									
Acquisition cost	2,064,613	4,438,422	200,320	1,600,839	1,805,859	467,904	604,055	175,830	11,357,842
Accumulated depreciation	(4,895)	(1,539,480)	(122,212)	(1,113,855)	(1,534,812)	(325,481)	(394,341)	-	(5,035,076)
Accumulated impairment losses	-	(53,625)	(4,786)	(14,951)	(19,431)	(2,986)	(2,779)	-	(98,558)
Net carrying amount	2,059,718	2,845,317	73,322	472,033	251,616	139,437	206,935	175,830	6,224,208

<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
December 31, 2023									
Acquisition cost	2,064,518	3,928,169	195,613	1,520,920	1,761,878	420,375	867,775	259,919	11,019,167
Accumulated depreciation	(3,462)	(1,396,722)	(119,064)	(1,031,010)	(1,503,459)	(303,329)	(520,538)	-	(4,877,584)
Accumulated impairment losses	-	(45,033)	(5,096)	(23,235)	(29,080)	(6,108)	(2,901)	-	(111,453)
Net carrying amount	2,061,056	2,486,414	71,453	466,675	229,339	110,938	344,336	259,919	6,030,130

(b) Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows:

	2024								
<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
January 1	2,061,056	2,486,414	71,453	466,675	229,339	110,938	344,336	259,919	6,030,130
Acquisitions	95	132,953	2,387	80,325	124,552	73,264	13,104	435,557	862,237
Transfer ¹	-	422,335	5,421	62,211	27,865	(1,178)	11,883	(519,643)	8,894
Disposals and others	-	(8,040)	(209)	(11,269)	(6,814)	(803)	(2,024)	(3)	(29,162)
Depreciation	(1,433)	(177,673)	(5,663)	(114,047)	(122,115)	(42,506)	(150,593)	-	(614,030)
Impairment losses ^{2,3}	-	(10,672)	(67)	(11,862)	(1,211)	(278)	(9,771)	-	(33,861)
December 31	2,059,718	2,845,317	73,322	472,033	251,616	139,437	206,935	175,830	6,224,208

	2023								
<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
January 1	2,050,470	2,486,605	75,400	487,287	210,570	107,919	432,296	157,052	6,007,599
Acquisitions	14,166	105,877	2,014	67,187	121,485	41,944	72,776	233,384	658,833
Transfer ¹	-	76,423	-	26,693	24,003	26	55,303	(130,517)	51,931
Disposals and others	(123)	(5,424)	(140)	(3,721)	(3,230)	(450)	(2,300)	-	(15,388)
Depreciation	(3,457)	(175,353)	(5,778)	(110,258)	(121,198)	(36,961)	(198,163)	-	(651,168)
Impairment losses ²	-	(1,714)	(43)	(513)	(2,291)	(1,540)	(15,576)	-	(21,677)
December 31	2,061,056	2,486,414	71,453	466,675	229,339	110,938	344,336	259,919	6,030,130

LG Electronics Inc.
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¹ The transfer of other property, plant and equipment includes ₩10,354 million (2023: ₩51,931 million) of transfer from inventories to rental assets.

² The company conducted a periodic impairment test and recognized impairment loss of ₩226 million (2023: ₩3,334 million) for businesses under BS segment as other non-operating expenses due to expected sales decline. The impairment loss was allocated to machinery, equipment and others of the cash-generating units. The recoverable amount was measured at the higher of fair value less costs of disposal or value-in-use, and the fair value amount is categorized within Level 3 of fair value hierarchy.

³ For the year ended December 31, 2024, impairment loss on property, plant and equipment from discontinued operations of the battery pack business amounting to ₩817 million is included.

(c) Line items included in depreciation in the separate statements of profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Cost of sales	444,117	483,470
Selling expenses	29,590	37,984
Administrative expenses	70,319	63,644
Research and development expenses	40,558	38,402
Service costs	26,049	20,341
Other non-operating expenses	3,468	7,309
Subtotal	614,101	651,150
Discontinued operations	(71)	18
Total	614,030	651,168

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(d) Changes in right-of-use assets for each of the two years in the period ended December 31, 2024 are as follows:

	2024								
<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
January 1	10,729	67,469	48	21	-	9,643	66,231	-	154,141
Acquisitions	-	39,157	290	294	-	2,334	11,726	300	54,101
Transfer	-	-	300	-	-	-	-	(300)	-
Disposals and others	-	(772)	(18)	-	-	(10)	(1,899)	-	(2,699)
Depreciation	(1,433)	(49,706)	(232)	(151)	-	(4,978)	(22,855)	-	(79,355)
December 31	9,296	56,148	388	164	-	6,989	53,203	-	126,188

	2023								
<i>(in millions of Korean won)</i>	Land	Buildings	Structures	Machinery	Tools	Equipment	Other	Construction -in-progress	Total
January 1	20	91,008	38	707	732	8,644	14,148	-	115,297
Acquisitions	14,166	33,662	225	10	-	5,552	71,171	40	124,826
Transfer	-	40	-	-	-	-	-	(40)	-
Disposals and others	-	(4,072)	(8)	(402)	-	(74)	(1,947)	-	(6,503)
Depreciation	(3,457)	(53,169)	(207)	(294)	(732)	(4,479)	(17,141)	-	(79,479)
December 31	10,729	67,469	48	21	-	9,643	66,231	-	154,141

The amount of lease income recognized in relation to sublease of the right-of-use assets for the year ended December 31, 2024 is ₩4,032 million (2023: ₩5,768 million).

(e) Capitalized borrowing costs and capitalization rates for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Capitalized borrowing costs	10,148	3,422
Capitalization rate (%)	3.62	3.51

(f) There is no property, plant and equipment pledged as a collateral for borrowings from banks.

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12. Intangible assets

(a) Details of intangible assets are as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Goodwill	Industrial property rights	Development costs¹	Membership rights	Other	Construction -in-progress¹	Total
December 31, 2024							
Acquisition cost	86,528	912,247	3,714,231	23,552	1,022,137	1,214,507	6,973,202
Accumulated amortization and impairment losses	(86,337)	(489,814)	(2,926,303)	(633)	(786,995)	(1,266)	(4,291,348)
Net carrying amount	191	422,433	787,928	22,919	235,142	1,213,241	2,681,854

<i>(in millions of Korean won)</i>	Goodwill	Industrial property rights	Development costs¹	Membership rights	Other	Construction -in-progress¹	Total
December 31, 2023							
Acquisition cost	86,528	871,906	3,292,895	19,115	1,042,569	848,249	6,161,262
Accumulated amortization and impairment losses	(86,337)	(466,470)	(2,691,973)	(633)	(799,171)	(19,279)	(4,063,863)
Net carrying amount	191	405,436	600,922	18,482	243,398	828,970	2,097,399

¹ As of December 31, 2024, internally generated development costs are included in development costs and construction-in-progress amounting to ₩506,877 million and ₩640,309 million (2023: ₩337,570 million and ₩552,114 million), respectively.

(b) Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows:

	2024						
<i>(in millions of Korean won)</i>	Goodwill	Industrial property rights	Development costs	Membership rights	Other	Construction -in-progress	Total
January 1	191	405,436	600,922	18,482	243,398	828,970	2,097,399
Acquisitions	-	-	55,672	7,077	113,832	443,448	620,029
Acquisitions by internal development	-	-	-	-	-	466,930	466,930
Transfer	-	111,731	415,573	-	325	(524,639)	2,990
Disposals and others	-	(15,762)	(15,966)	(2,640)	(99)	(1,468)	(35,935)
Amortization	-	(77,335)	(241,768)	-	(122,312)	-	(441,415)
Impairment losses ^{1,2}	-	(1,637)	(26,505)	-	(2)	-	(28,144)
December 31	191	422,433	787,928	22,919	235,142	1,213,241	2,681,854

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	2023						
<i>(in millions of Korean won)</i>	Goodwill	Industrial property rights	Development costs	Membership rights	Other	Construction -in-progress	Total
January 1	191	407,930	467,239	18,559	260,417	560,935	1,715,271
Acquisitions	-	-	132,489	-	145,924	184,639	463,052
Acquisitions by internal development	-	-	-	-	-	406,249	406,249
Transfer	-	99,036	201,287	-	-	(300,434)	(111)
Disposals and others	-	(24,341)	(53)	(77)	(93)	(22,419)	(46,983)
Amortization	-	(75,524)	(192,831)	-	(158,063)	-	(426,418)
Impairment losses ^{1,2}	-	(1,665)	(7,209)	-	(4,787)	-	(13,661)
December 31	191	405,436	600,922	18,482	243,398	828,970	2,097,399

¹ The Company conducted a periodic impairment test; however, no impairment loss was recognized as other non-operating expenses for the year ended December 31, 2024 (2023: ₩6,725 million). The recoverable amount was measured at the higher of fair value less costs of disposal or value-in-use, and the fair value amount is categorized within Level 3 of fair value hierarchy.

² As a result of an impairment test for all projects related to internally generated development costs and others, impairment loss for projects determined to have low profitability amounting to ₩25,967 million (2023: ₩7,209 million) was recognized as 'other non-operating expenses'.

(c) Line items including amortization of intangible assets for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Cost of sales	331,800	320,787
Selling expenses	13,327	10,971
Administrative expenses	39,519	36,229
Research and development expenses	55,652	53,733
Service costs	7,048	3,374
Other non-operating expenses	(5,947)	8
Subtotal	441,399	425,102
Discontinued operations	16	1,316
Total	441,415	426,418

(d) Capitalized borrowing costs and capitalization rates for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Capitalized borrowing costs	5,542	907
Capitalization rate (%)	3.62	3.51

(e) There are no intangible assets pledged as a collateral for borrowings as of December 31, 2024 and 2023.

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(f) Impairment tests for goodwill

i) Goodwill is allocated among the Company's cash-generating units (CGUs) under each operating segment. As of December 31, 2024, goodwill amounting to ₩191 million is allocated to Home Appliance & Air Solution business segment.

ii) The recoverable amount of CGUs has been determined based on value-in-use or fair value less costs of disposal. These calculations use pre-tax cash flow projections based on the financial budget approved by management. When approving this financial budget, management reviewed the estimation method, assumptions, and estimation period in consideration of the uniqueness of the industry and business. Cash flows beyond the financial budget are extrapolated using the estimated growth rate which does not exceed the long-term average growth rate for the industry in which the identified CGUs operate.

iii) Management determined the estimated pre-tax cash flow based on past performance and its expectations of market development. Discount rates used for calculating the value-in-use are the discount rates reflecting specific risks relating to CGUs identified in Air conditioning business under Home Appliance & Air Solution business segment of 7.48% and nominal perpetual growth rates of 1%.

iv) There is no impairment loss on goodwill recognized based on the recoverable amount calculated based on fair value less costs to sell for each cash-generating unit.

(g) Research and development expenses

Research and development expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Uncapitalized research and development expenditures	3,171,847	3,002,071
Amortization from internally generated development costs	178,294	139,445
Subtotal	3,350,141	3,141,516
Discontinued operations	-	773
Total	3,350,141	3,142,289

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(h) Acquisition, holding, and disposal of virtual assets

i) Purpose of acquisition

The Company holds virtual assets for various business purposes.

ii) The acquisition and holding of virtual assets for each of the two years in the period ended December 31, 2024 are as follows:

Name of virtual asset	Listed/unlisted ¹	Source of acquisition ²	Number of units			Fair value per unit (KRW) ⁴		
			December 31, 2023	Acquisitions	Disposal and usage	December 31, 2024 ³	December 31, 2023	December 31, 2024
HEDERA	Listed	Gratuitous acquisition	1,989,127	-	500	1,988,627	120	414
KAIA	Listed	Gratuitous acquisition	8,076,609	-	-	8,076,609	313	309
USDC	Listed	Gratuitous acquisition / NFT transaction fee	2,295	8,000	8,008	2,287	1,338	1,490
ETH	Listed	Gratuitous acquisition / NFT transaction fee	-	1.3	1.3	-	3,080,000	5,087,000

¹ Listed on domestic exchanges such as KORBIT.

² The virtual assets acquired for free of charge do not incur a significant acquisition cost, and therefore, are recognized as memorandum assets. Virtual assets acquired through NFT transaction fees are recognized at their fair value on the transaction date.

³ As of December 31, 2024 the Company does not recognize any virtual assets.

⁴ The valuation was based on the monthly average quoted price in KORBIT Exchange as of December 31, 2024.

iii) Disposal

The gain (loss) on disposal of virtual assets recognized as gain (loss) on disposal of intangible assets for the year ended December 31, 2024 amounts to ₩1 million (2023: ₩0.1 million).

iv) Risk of holding virtual assets

The fair value of virtual assets held by the Company as of as of December 31, 2024 has fluctuated after the reporting date. However, as of the date of the independent auditor's report, the potential impact of these changes on the financial statements cannot be estimated, and the Company's financial statements are not adjusted to reflect any potential effects arising from the fair value fluctuation considering the uncertain estimate.

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13. Investments in subsidiaries, associates and joint ventures

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

(in millions of Korean won)	Location	Closing month	Percentage of ownership at December 31, 2024 (%)	Carrying amount	
				December 31, 2024	December 31, 2023
Subsidiaries					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. ⁵	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
LG ELECTRONICS INDIA LIMITED(LGEIL) ¹⁰	India	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mława Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co., Ltd.(LGENV)	China	December	100.0	180,349	180,349
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
PT LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER(LGERC)	Indonesia	December	100.0	121,467	121,467
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
ZKW Holding GmbH ⁷	Austria	December	70.0	101,297	349,482
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
Cybellum Technologies Ltd. ^{1,7}	Israel	December	80.5	77,643	113,509
LG Electronics Wrocław Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
Athom Holding B.V. ²	Netherlands	December	80.0	69,206	-
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	48,295	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
HIEVCHARGER CO., LTD.	Korea	December	60.0	35,040	35,040

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(in millions of Korean won)	Location	Closing month	Percentage of ownership at December 31, 2024 (%)	Carrying amount	
				December 31, 2024	December 31, 2023
LG Electronics Fund II LLC ¹	USA	December	100.0	32,597	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) ⁶	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
ZKW Austria Immobilien Holding GmbH ⁷	Austria	December	70.0	10,330	35,640
LG Electronics Argentina S.A.(LGEAR) ⁷	Argentina	December	99.6	7,399	15,047
LG Electronics Overseas Trading FZE(LGEOT) ¹	UAE	December	100.0	6,558	-
Others				132,034	132,034
Associates					
LG Display Co., Ltd. ¹	Korea	December	36.7	3,247,980	2,811,950
Robostar Co.,Ltd.	Korea	December	33.4	88,112	88,112
BEAR ROBOTICS, INC. ²	Korea	December	24.9	56,076	-
RINSE, INC. ¹	USA	December	43.1	55,036	18,184
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
NOVA Prime Fund I, LP ^{1,11}	USA	December	79.3	16,889	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
TheWaveTalk Co., Ltd. ⁴	Korea	December	3.7	2,000	2,000
Acryl Inc. ⁴	Korea	December	11.4	2,000	2,000
AiM Future, Inc. ⁴	Korea	December	11.7	800	800
Joint ventures					
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
LG-LHT Aircraft Solutions GmbH ^{1,9}	Germany	December	-	-	37,425
LG-LHT Passenger Solutions GmbH ^{1,9}	Germany	December	-	-	37,320
FITNESSCANDY Co.,Ltd. ⁸	Korea	December	-	-	-
Total				8,642,277	8,391,013

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¹ The entity was additionally acquired during the year ended December 31, 2024.

² The entity was newly acquired during the year ended December 31, 2024.

³ The entity was recovered a portion of the investment funds during the year ended December 31, 2024.

⁴ Classified as an associate although the percentage of ownership is less than 20% because the Company can exercise a significant influence in the Board of Directors of the investee.

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

⁷ Impairment loss was recognized during the year ended December 31, 2024.

⁸ The entity was liquidated during the year ended December 31, 2024.

⁹ The entity was disposed of/sold during the year ended December 31, 2024.

¹⁰ The entity was renamed from LG ELECTRONICS INDIA PRIVATE LIMITED to LG ELECTRONICS INDIA LIMITED during the year ended December 31, 2024.

¹¹ Although the Company's ownership exceeds 50%, the entity has been classified as an associate due to the absence of control under a shareholder agreement.

(b) Changes in investments in subsidiaries, associates and joint ventures for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
January 1	8,391,013	9,004,775
Acquisitions	692,149	121,742
Transfer	(22,590)	25,392
Disposal and others ¹	(87,201)	(2,949)
Impairment loss	(331,094)	(757,947)
December 31	8,642,277	8,391,013

¹ It includes the sale of a 49% stake in LG-LHT Aircraft Solutions GmbH (₩42,755 million) and a 49% stake in LG-LHT Passenger Solutions GmbH (₩42,649 million) during the year ended December 31, 2024. It includes the amount retrieved by the capital reduction with consideration on LG Electronics Fund I LLC, which is a subsidiary of the Company, during the year ended December 31, 2023.

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(c) Impairment test for investments in subsidiaries, associates and joint ventures

i) The Company records the investments in subsidiaries, associates and joint ventures at acquisition cost on the basis of the direct equity interest and assesses as of December 31, 2024 and 2023 whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset by future cash flow projection technique. And if the recoverable amount of an asset is less than its carrying amount, the Company recognizes an impairment loss immediately by reducing its carrying amount to its recoverable amount.

ii) The difference of ₩248,185 million between recoverable amount and carrying amount relating to ZKW Holding GmbH, a subsidiary, is recognized in the separate income statement under 'other non-operating expenses' for the year ended December 31, 2024.

iii) The difference of ₩25,310 million between recoverable amount and carrying amount relating to ZKW Austria Immobilien Holding GmbH, a subsidiary, is recognized in the separate income statement under 'other non-operating expenses' for the year ended December 31, 2024.

iv) The difference of ₩43,393 million between recoverable amount and carrying amount relating to Cybellum Technologies Ltd., a subsidiary, is recognized in the separate income statement under 'other non-operating expenses' for the year ended December 31, 2024.

v) The difference of ₩7,648 million between recoverable amount and carrying amount relating to LG Electronics Argentina S.A. (LGEAR), a subsidiary, is recognized in the separate income statement under 'other non-operating expenses' for the year ended December 31, 2024.

(d) Details of marketable investments in subsidiaries and associates as of December 31, 2024 and 2023 are as follows:

December 31, 2024					
	Type	Shares held (Unit: shares)	Price per share (Unit: won)	Fair value (in millions of Korean won)	Carrying amount
LG Display Co., Ltd.	Associate	183,593,206	9,130	1,676,206	3,247,980
LG Innotek Co., Ltd.	Subsidiary	9,653,181	162,000	1,563,815	541,538
Robostar Co., Ltd.	Associate	3,256,500	21,900	71,317	88,112
ROBOTIS Co., Ltd.	Associate	961,550	23,250	22,356	9,000

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

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14. Investment properties

(a) Details of investment properties as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Land	Buildings	Total
December 31, 2024			
Acquisition cost	1,549	134,839	136,388
Accumulated depreciation	(284)	(12,531)	(12,815)
Accumulated impairment losses	-	(47,429)	(47,429)
Net carrying amount	1,265	74,879	76,144

<i>(in millions of Korean won)</i>	Land	Buildings	Total
December 31, 2023			
Acquisition cost	1,541	134,839	136,380
Accumulated depreciation	(212)	(8,232)	(8,444)
Accumulated impairment losses	-	(47,429)	(47,429)
Net carrying amount	1,329	79,178	80,507

(b) Changes in investment properties for each of the two years in the period ended December 31, 2024 are as follows:

	2024		
<i>(in millions of Korean won)</i>	Land	Buildings	Total
January 1	1,329	79,178	80,507
Disposal and others	8	-	8
Depreciation	(72)	(4,299)	(4,371)
December 31	1,265	74,879	76,144

	2023		
<i>(in millions of Korean won)</i>	Land	Buildings	Total
January 1	3,314	83,478	86,792
Disposal and others	(1,872)	-	(1,872)
Depreciation	(113)	(4,300)	(4,413)
December 31	1,329	79,178	80,507

(c) The fair value of investment property is determined based on the assumptions and data used in the valuation of the independent professional appraiser with certified qualification. The fair value of investment property as of December 31, 2024 is ₩86,383 million(2023: ₩86,985 million).

(d) Rental income amounting to ₩5,032 million (2023: ₩5,023 million) and rental expenses amounting to ₩4,697 million (2023: ₩4,833 million) are recognized in the separate statements of profit or loss relating to the investment properties for the year ended December 31, 2024.

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15. Borrowings

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Short-term borrowings	43,462	704,969
Current portion of long-term borrowings	588,365	252,710
Current portion of debentures	269,973	646,690
Subtotal	901,800	1,604,369
Non-current		
Long-term borrowings	2,862,371	3,130,153
Debentures	5,598,571	4,490,089
Subtotal	8,460,942	7,620,242
Total	9,362,742	9,224,611

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

<i>(in millions of Korean won)</i>	Latest maturity date	Annual interest rate at December 31, 2024 (%)	Carrying amount	
			December 31, 2024	December 31, 2023
Short-term borrowings in foreign currency				
Citibank and others ¹	-	3.19 ~ 10.58	43,462	704,969
Long-term borrowings in local currency				
The Export-Import Bank of Korea and others	2035. 1. 9	2.49 ~ 4.82	2,253,322	2,302,465
Long-term borrowings in foreign currency				
The Export-Import Bank of Korea and others	2031. 7.28	0.67 ~ 6.55	1,197,414	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	1,176,000	-
Private, non-guaranteed bonds	2031. 1.8	1.12 ~ 6.56	764,512	688,442
Less: discount on debentures			(21,968)	(11,663)
Total			9,362,742	9,224,611

¹ The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩43,462 million as of December 31, 2024(2023: ₩60,269 million).

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 35).

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16. Lease liabilities

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Lease liabilities		
Current	72,610	74,853
Non-current	55,562	80,611
Total	128,172	155,464

(b) The amounts, relating to leases, recognized in the separate statements of profit or loss for the years ended December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Interest expense relating on lease liabilities	4,468	3,872
Short-term lease payments (included in cost of sales, selling and administrative expenses, and others)	29,847	25,855
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and administrative expenses, and others)	19,968	16,099
Subtotal	54,283	45,826
Discontinued operations	2,651	2,495
Total	56,934	48,321

Depreciation of right-of-use assets is stated in Note 11.

(c) Total expenditures for leases including short-term leases and leases of low-value assets for the year ended December 31, 2024 are ₩132,631 million (2023: ₩121,688 million).

17. Other payables

Details of other payables as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Non-trade payables	2,172,500	1,841,459
Accrued expenses	319,483	315,172
Leasehold deposits received	286	313
Subtotal	2,492,269	2,156,944
Non-current		
Leasehold deposits received	11,890	11,960
Total	2,504,159	2,168,904

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18. Current and deferred income tax

18.1 Income tax expense

(a) Details of income tax expense for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Current income taxes		
Current tax on profits for the year	180,359	267,273
Adjustments in respect of prior years	(8,388)	(11,029)
Deferred tax		
Changes in temporary differences	(180,512)	181,281
Changes in tax credit carry forwards	(480,173)	(196,636)
Changes in tax loss carry forwards	77,310	(40,637)
Income tax expense (benefit)	(411,404)	200,252
Continuing operations	(311,856)	240,232
Discontinued operations	(99,548)	(39,980)

(b) The reconciliation between profit (loss) before income tax and income tax expense for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations	1,108,827	1,361,326
Discontinued operations	(383,599)	(156,978)
Profit (Loss) before income tax	725,228	1,204,348
Tax expense (benefit) based on statutory tax rate	181,098	307,586
Income not subject to tax	(306,827)	(363,827)
Expenses not deductible for tax purposes	13,807	12,419
Tax credits/exemptions	(401,521)	(99,131)
Adjustments in respect of prior years	(8,388)	(11,029)
Others	110,427	354,234
Income tax expense (benefit)¹	(411,404)	200,252
Continuing operations	(311,856)	240,232
Discontinued operations	(99,548)	(39,980)
Effective tax rate	(-)56.73%	16.63%

¹ The income tax expense recognized in the -statement of profit or loss for the year ended December 31, 2024 includes ₩15,197 million of Pillar Two income taxes.

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18.2 Deferred income tax

(a) Deferred tax assets and deferred tax liabilities after offsetting as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	395,795	260,686
Deferred tax asset to be recovered after more than 12 months	3,284,421	2,628,472
Deferred tax assets before offsetting	3,680,216	2,889,158
Deferred tax liabilities		
Deferred tax liability to be settled within 12 months	75,082	46,119
Deferred tax liability to be settled after more than 12 months	1,408,101	1,226,071
Deferred tax liabilities before offsetting	1,483,183	1,272,190
Deferred tax assets after offsetting	2,197,033	1,616,968

(b) Changes in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024			
	January 1	Charged (credited) to statements of profit or loss	Charged to other comprehensive income	December 31
Changes in temporary differences				
Investments in subsidiaries, associates and joint ventures	(75,342)	(17,615)	-	(92,957)
Property, plant and equipment	(130,815)	39,145	-	(91,670)
Accrued expenses	373,412	23,027	-	396,439
Provisions	164,861	157,329	-	322,190
Others	(21,727)	(21,374)	(3,310)	(46,411)
Subtotal	310,389	180,512	(3,310)	487,591
Tax credit carry forwards	1,183,669	480,173	-	1,663,842
Tax loss carry forwards	122,910	(77,310)	-	45,600
Deferred tax assets (liabilities)	1,616,968	583,375	(3,310)	2,197,033

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<i>(in millions of Korean won)</i>	2023			
	January 1	Charged (credited) to statements of profit or loss	Charged to other comprehensive income	December 31
Changes in temporary differences				
Investments in subsidiaries, associates and joint ventures	(104,613)	29,271	-	(75,342)
Property, plant and equipment	35,239	(166,054)	-	(130,815)
Accrued expenses	313,719	59,693	-	373,412
Provisions	290,607	(125,746)	-	164,861
Others	(114,047)	21,555	70,765	(21,727)
Subtotal	420,905	(181,281)	70,765	310,389
Tax credit carry forwards	987,033	196,636	-	1,183,669
Tax loss carry forwards	82,273	40,637	-	122,910
Deferred tax assets (liabilities)	1,490,211	55,992	70,765	1,616,968

(c) Tax effects recognized in other comprehensive income directly for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024			2023		
	Before tax	Tax effects	After tax	Before tax	Tax effects	After tax
Remeasurements of the net defined benefit liability	79,126	(7,861)	71,265	(256,116)	54,411	(201,705)
Financial assets at fair value through other comprehensive income	709	182	891	1,347	(666)	681
Cash flow hedges	(16,710)	4,370	(12,340)	(66,669)	17,020	(49,649)
Total	63,125	(3,309)	59,816	(321,438)	70,765	(250,673)

(d) Details of deductible (taxable) temporary differences and tax credit carry forwards unrecognized as deferred tax assets (liabilities) as of December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	Amount	Remark
Taxable temporary difference (investment in subsidiaries)	(1,385,139)	Permanent reinvestment of undistributed profit planned
Deductible temporary difference (investment in subsidiaries)	2,952,707	Unlikely to reverse (dispose of) in the foreseeable future
Tax credit carryforwards ¹	183,853	Uncertainty of future taxable profit

¹ Unrecognized tax credit carry forwards as of December 31, 2024 will expire from 2026.

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19. Retirement benefits

19.1 Defined benefit plan

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Present value of funded obligations	3,588,433	3,419,800
Fair value of plan assets	(3,907,813)	(3,767,107)
Net defined benefit liabilities (assets)	(319,380)	(347,307)

(b) The amounts recognized in the separate statements for profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Current service cost	312,810	274,653
Net interest cost	(15,489)	(27,418)
Operating management cost	2,727	2,499
Total	300,048	249,734

(c) Line items in which expenses are included for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Cost of sales	140,755	117,072
Selling expenses	42,341	34,545
Administrative expenses	28,813	24,091
Research and development expenses	60,951	48,815
Service costs	27,063	22,692
Other non-operating expenses	79	2,442
Subtotal	300,002	249,657
Discontinued operations	46	77
Total	300,048	249,734

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(d) Changes in the present value of defined benefit obligations for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
January 1	3,419,800	2,937,364
Current service cost	312,810	274,653
Interest cost	148,783	151,744
Remeasurements for:		
- Actuarial loss (gain) arising from changes in demographic assumptions	525	(5,439)
- Actuarial loss (gain) arising from changes in financial assumptions	(81,758)	236,080
- Actuarial loss (gain) arising from experience adjustments	(12,410)	27,683
Benefits paid	(199,317)	(202,285)
December 31	3,588,433	3,419,800

(e) Changes in the fair value of plan assets for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
January 1	3,767,107	3,454,693
Interest income	164,272	179,162
Remeasurements of plan assets	(14,516)	2,208
Employer contributions	200,000	340,000
Benefits paid	(206,323)	(206,457)
Operating management cost	(2,727)	(2,499)
December 31	3,907,813	3,767,107

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

	December 31, 2024	December 31, 2023
Discount rate	3.8%	4.5%
Expected salary growth rate	4.9%	5.9%

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

<i>(in millions of Korean won)</i>	1%p increase	1%p decrease
Discount rate	(285,271)	326,416
Expected salary growth rate	335,731	(297,884)

Above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be occurred since the various assumptions are 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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(h) The composition of plan assets as of December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)
Securities combined with derivatives (principal and interest guaranteed)	1,666,309	42.6	1,367,933	36.3
Time deposits and others	2,241,504	57.4	2,399,174	63.7
Total	3,907,813	100.0	3,767,107	100.0

The Company's plan assets mainly consist of the assets with the quoted prices in an active market.

(i) The weighted average duration of the defined benefit obligations is 9.1 years.

(j) The Company evaluates the level of fund contribution level annually, and if there is a shortfall in the funds, the Company shall finance the funds in accordance with the related policies. Expected contributions to retirement benefit plans for the year ended December 31, 2025 are ₩380,000 million.

19.2 Defined contribution plan

The expense recognized in relation to defined contribution plan for the year ended December 31, 2024 is ₩15,428 million (2023: ₩10,680 million).

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20. Provisions

(a) Changes in provisions for each of the two years in the period ended December 31, 2024 are as follows:

	2024			
<i>(in millions of Korean won)</i>	Warranty	Restoration	Litigation and others	Total
January 1	528,100	8,868	144,360	681,328
Additions ¹	972,566	1,206	3,631	977,403
Utilizations	(503,154)	(464)	(23,881)	(527,499)
December 31	997,512	9,610	124,110	1,131,232
Current	962,422	7,089	90,323	1,059,834
Non-current	35,090	2,521	33,787	71,398

	2023			
<i>(in millions of Korean won)</i>	Warranty	Restoration	Litigation and others	Total
January 1	1,079,839	9,360	57,771	1,146,970
Additions ¹	548,093	256	93,898	642,247
Utilizations	(1,099,832)	(748)	(7,309)	(1,107,889)
December 31	528,100	8,868	144,360	681,328
Current	489,867	6,533	101,372	597,772
Non-current	38,233	2,335	42,988	83,556

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

(b) Greenhouse gas emission liabilities

Details of emission rights received free of charge and estimated greenhouse gas emission by each compliance year as of December 31, 2024 are as follows:

<i>(in tons)</i>	2024	2025
Emission rights received free of charge ¹	902,701	900,507

¹ Emission rights received free of charge are defined as allowed amount of emissions that can be released, allocated by Korean government for free in accordance with 'Act on the Allocation and Trading of Greenhouse-Gas Emission Permits' of the Republic of Korea.

In 2024, there were no emission rights that the Company additionally purchased from the market, and there was no recognized emission liability as greenhouse gas emission estimated by management was 252,457 tons.

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21. Other liabilities

Other liabilities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Current		
Advances from customers	311,743	225,990
Withholding	155,610	156,401
Accrued expenses	1,637,290	1,759,492
Subtotal	2,104,643	2,141,883
Non-current		
Accrued expenses	146,174	133,299
Total	2,250,817	2,275,182

22. Paid-in capital

(a) As of December 31, 2024 and 2023, the number of authorized ordinary and preferred shares is 600 million.

		December 31, 2024		December 31, 2023	
	Par value per share	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 December 31, 2024 is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying amount of net assets acquired from the entity split-off back on April 1, 2002, less the Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion options in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

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23. Retained earnings and dividends

(a) Retained earnings as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Legal reserves ¹	273,791	259,300
Discretionary reserves	6,147,421	5,504,433
Unappropriated retained earnings (Undisposed accumulated deficit) ²	1,117,964	802,490
Total	7,539,176	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 capital stock. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit.

² A dividend of ₩144,912 million for the year ended December 31, 2023 was approved as originally proposed at the Annual General Meeting held on March 26, 2024 and was paid in April 2024 (dividend paid in 2023: ₩126,905 million). The interim dividend of ₩90,033 million, with a record date of June 30, 2024 was resolved by the Board of Directors on July 24, 2024 and was paid in August 2024.

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(b) Appropriation of retained earnings for the years ended December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Unappropriated retained earnings	1,117,964	802,940
Unappropriated retained earnings carried over from prior year	99	99
Interim dividends (Cash dividend dividends per share (rate))	(90,033)	-
Ordinary share :		
₩ 500 (10%) in 2024		
₩ - (-%) in 2023		
Preferred share :		
₩ 500 (10%) in 2024		
₩ - (-%) in 2023		
Remeasurement of net defined benefit liability	71,265	(201,705)
Profit (Loss)	1,136,633	1,004,096
Transfer from discretionary reserve	6,147,421	5,504,433
Reserve for research and manpower development	6,147,421	5,504,433
Total	7,265,385	6,306,923
Appropriation of retained earnings	7,265,286	6,306,824
Earned profit reserves	18,092	14,491
Reserve for research and manpower development	7,155,952	6,147,421
Discretionary reserves	350	-
Dividends(Cash dividend dividends per share (rate))	90,892	144,912
Ordinary share :		
₩ 500 (10%) in 2024		
₩ 800 (16%) in 2023		
Preferred share :		
₩ 550 (11%) in 2024		
₩ 850 (17%) in 2023		
Unappropriated retained earnings to be carried forward to subsequent year	99	99

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(c) Dividends

Details of dividends per share and a total dividend in respect of the year ended December 31, 2024 which is to be proposed at the annual general meeting on March 25, 2025, are as follows. These separate financial statements do not reflect this dividend payable.

The details of dividend calculations for the years ended December 31, 2024 and 2023 are as follows:

i) Interim dividend

	2024		2023	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
Dividend record date	2024.06.30	2024.06.30	-	-
Outstanding shares	163,647,814	17,185,992	163,647,814	17,185,992
Treasury shares	(763,176)	(4,693)	(763,176)	(4,693)
Numbers of shares for dividend	162,884,638	17,181,299	162,884,638	17,181,299
Par value (<i>in Korean won</i>)	5,000	5,000	5,000	5,000
Dividend rate	10%	10%	-	-
Dividends per share (<i>in Korean won</i>)	500	500	-	-
Total dividend amount (<i>in millions of Korean won</i>)	81,442	8,591	-	-

ii) Annual dividend

	2024		2023	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
Dividend record date	2025.03.31	2025.03.31	2023.12.31	2023.12.31
Outstanding shares	163,647,814	17,185,992	163,647,814	17,185,992
Treasury shares	(763,176)	(4,693)	(763,176)	(4,693)
Numbers of shares for dividend	162,884,638	17,181,299	162,884,638	17,181,299
Par value (<i>in Korean won</i>)	5,000	5,000	5,000	5,000
Dividend rate	10%	11%	16%	17%
Dividends per share (<i>in Korean won</i>)	500	550	800	850
Total dividend amount (<i>in millions of Korean won</i>)	81,442	9,450	130,308	14,604

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24. Accumulated other comprehensive income (loss)

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Cash flow hedge	(13,178)	(838)
Financial assets at fair value through other comprehensive income	(8,476)	(9,367)
Total	(21,654)	(10,205)

25. Other components of equity

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

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

¹ As of December 31, 2024, the Company has treasury shares consisting of 763,176 ordinary shares and 4,693 preferred shares (2023: 763,176 ordinary shares and 4,693 preferred shares). 761,427 ordinary shares acquired not exceeding the extent of distributable profits are planned to be retired within 2025.

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26. Net sales

(a) Details of net sales for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Revenue from contracts with customers:		
Sales of goods	27,350,947	26,400,209
Rendering of services	1,814,760	1,514,586
Subtotal	29,165,707	27,914,795
Revenue from other sources:		
Rental income and others	1,596,845	953,380
Subtotal	30,762,552	28,868,175
Discontinued operations	-	842
Total	30,762,552	28,869,017

(b) Details of revenue from contracts with customers for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
By type of products:		
Refrigerator/washing machine/air conditioner and others	16,334,741	15,745,055
TV/AV and others	3,312,687	3,298,164
In-vehicle infotainment and others	4,856,000	4,219,392
Monitor/PC and others	2,542,494	2,530,788
Others ¹	2,119,785	2,121,396
Domestic/Export:		
Domestic	10,177,460	10,047,124
Export	18,988,247	17,867,671
Timing of revenue recognition:		
At a point in time	25,491,076	24,476,344
Over time	3,674,631	3,438,451
Total	29,165,707	27,914,795

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

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

Due to the factors causing the changes in the costs of other segments in 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 year ended December 31, 2024 and after the reporting period are as follows:

<i>(in millions of Korean won)</i>	Changes in estimated total contract revenue¹	Changes in estimated total contract cost	Impact on profit or loss for the year¹	Impact on profit or loss for the succeeding year¹
	242,232	92,772	134,077	15,383

¹ The effects of exchange rate fluctuations are included.

27. Expenses by nature

Expenses that are recorded by nature for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Changes in finished goods and work-in-process	(30,227)	69,838
Raw materials and merchandise used	16,425,499	15,330,443
Employee benefit expense	4,737,156	4,771,964
Depreciation and amortization	1,062,350	1,073,348
Advertising expense	849,698	755,249
Promotion expense	156,288	159,421
Freight expense	904,349	827,326
Commission expense	2,916,253	2,436,500
Other expenses	3,182,222	2,757,279
Subtotal¹	30,203,588	28,181,368
Discontinued operations	346,044	110,519
Total¹	30,549,632	28,291,887

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

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28. General operating expenses (selling and administrative expenses, research and development expenses, and service costs)

Details of general operating expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Salaries	1,802,080	1,786,446
Retirement benefits	179,259	195,999
Employee welfare benefits	336,199	340,224
Freight expense	892,061	815,037
Rental expense	34,652	31,890
Commission expense	2,292,579	1,868,912
Depreciation	170,887	164,784
Amortization	115,546	104,307
Advertising expense	849,698	755,249
Promotional expense	156,288	159,421
R&D expense	343,173	307,625
Direct service costs	324,401	185,159
Bad debts expense	7,886	7,061
Others	339,071	302,653
Subtotal	7,843,780	7,024,767
Discontinued operations	345,970	108,415
Total	8,189,750	7,133,182

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29. Financial income and financial expenses

(a) Financial income for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Interest income	142,893	130,216
Exchange differences	385,260	545,352
Others	5,017	8,327
Subtotal	533,170	683,895
Discontinued operations	3,405	3,787
Total	536,575	687,682

(b) Financial expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Interest expense	277,735	266,474
Exchange differences	296,774	571,121
Loss on disposal of trade receivables	242	624
Others	6,814	23,515
Subtotal	581,565	861,734
Discontinued operations	47,041	44,070
Total	628,606	905,804

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30. Other non-operating income and other non-operating expenses

(a) Other non-operating income for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Dividend income	1,259,599	1,759,660
Exchange differences	1,159,925	1,047,961
Gain on derivatives	45	5,373
Gain on disposal of property, plant and equipment	3,393	7,859
Gain on disposal of intangible assets	2,929	3,328
Gain on valuation of financial assets at fair value through profit or loss	-	2,164
Others	28,553	25,729
Subtotal	2,454,444	2,852,074
Discontinued operations	6,548	181
Total	2,460,992	2,852,255

(b) Other non-operating expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Continuing operations		
Exchange differences	1,261,470	1,017,081
Loss on valuation of derivatives	40,991	1,521
Loss on disposal of property, plant and equipment	12,627	3,209
Impairment loss on property, plant and equipment	33,044	20,697
Loss on disposal of intangible assets	27,664	44,247
Impairment loss on intangible assets	27,987	13,661
Impairment loss on investments in subsidiaries, associates and joint ventures	416,498	757,947
Loss on valuation of financial assets at fair value through profit or loss	1,000	8,574
Others	34,905	132,779
Subtotal	1,856,186	1,999,716
Discontinued operations	466	7,199
Total	1,856,652	2,006,915

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31. 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 two years in the period ended December 31, 2024 are as follows:

	2024	2023
Profit (loss) attributable to ordinary shares (in millions of Korean won) ¹	1,027,402	907,511
Profit (loss) from continuing operations	1,284,349	1,013,346
Profit (loss) from discontinued operations	(256,947)	(105,835)
Weighted average number of ordinary shares outstanding (unit: shares) ²	162,884,638	162,884,638
Basic earnings (losses) per ordinary share (in Korean won)	6,308	5,571
Profit (loss) from continuing operations	7,885	6,221
Profit (loss) from discontinued operations	(1,577)	(650)

(b) Basic earnings (losses) per preferred share for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Profit (loss) attributable to preferred shares (in millions of Korean won) ¹	109,231	96,585
Profit (loss) from continuing operations	136,334	107,748
Profit (loss) from discontinued operations	(27,103)	(11,163)
Weighted average number of preferred shares outstanding (unit: shares) ²	17,181,299	17,181,299
Basic earnings (losses) per preferred share (in Korean won)	6,358	5,621
Profit (loss) from continuing operations	7,935	6,271
Profit (loss) from discontinued operations	(1,577)	(650)

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¹ Profit (loss) attributable to ordinary and preferred shares is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Profit (loss) for the year (A)	1,136,633	1,004,096
Profit (loss) from continuing operations	1,420,683	1,121,094
Profit (loss) from discontinued operations	(284,050)	(116,998)
Ordinary share dividends (B)	162,885	130,308
Preferred share dividends (C)	18,040	14,604
Undistributed profit (loss) (D=A-B-C)	955,708	859,184
Profit(loss) from continuing operations	1,239,758	976,182
Profit(loss) from discontinued operations	(284,050)	(116,998)
Undistributed profit (loss) available for ordinary shares (E)	864,517	777,203
Undistributed profit (loss) available for preferred shares (F)	91,191	81,981
Profit (loss) attributable to ordinary shares (G=B+E)	1,027,402	907,511
Profit (loss) attributable to preferred shares (H=C+F)	109,231	96,585

² Weighted average numbers of shares are calculated as follows:

<i>(unit: shares)</i>	2024	2023
Ordinary shares issued	163,647,814	163,647,814
Ordinary treasury shares	(763,176)	(763,176)
Ordinary shares outstanding	162,884,638	162,884,638
Weighted average number of ordinary shares outstanding	162,884,638	162,884,638
Preferred shares issued as of December 31	17,185,992	17,185,992
Preferred treasury shares as of December 31	(4,693)	(4,693)
Preferred shares outstanding	17,181,299	17,181,299
Weighted average number of preferred shares outstanding	17,181,299	17,181,299

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32. Cash flow information

Cash flows from operating activities are presented using the indirect method. Details of cash generated from operations for each of the two years in the period ended December 31, 2024 are as follows:

(a) Cash generated from (used in) operations

<i>(in millions of Korean won)</i>	2024	2023
Profit (Loss) for the year	1,136,633	1,004,096
Adjustments:		
Interest expense, net	134,842	136,258
Exchange differences, net	34,927	16,972
Depreciation	614,101	651,150
Amortization	441,399	425,102
Loss (gain) on disposal of property, plant and equipment and intangible assets, net	33,969	36,269
Provisions for severance benefits	300,002	260,336
Additional provisions, net	479,591	305,638
Dividend income	(1,259,599)	(1,759,660)
Income tax expense	(311,856)	240,232
Impairment loss on investments in subsidiaries, associates and joint ventures	416,498	757,947
Others	127,442	83,527
Discontinued operations	442,092	335,348
	<u>1,453,408</u>	<u>1,489,119</u>
Changes in operating assets and liabilities:		
Decrease (Increase) in trade receivables	(1,645,564)	(1,957,155)
Decrease (Increase) in other receivables	(120,704)	(4,139)
Decrease (Increase) in inventories	(118,061)	85,765
Decrease (Increase) in contract assets	(235,500)	(407,972)
Decrease (Increase) in other assets	(145,737)	205,611
Increase (Decrease) in trade payables	719,291	462,197
Increase (Decrease) in other payables	317,595	(88,205)
Increase (Decrease) in provisions	(527,499)	(1,107,889)
Increase (Decrease) in contract liabilities	329,793	324,264
Increase (Decrease) in other liabilities	(38,149)	311,670
Payment of retirement benefits	7,006	(6,507)
Deposit in plan assets, net	(200,000)	(340,000)
	<u>(1,657,529)</u>	<u>(2,522,360)</u>
Cash generated from (used in) operations	<u>932,512</u>	<u>(29,145)</u>

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(b) Changes in liabilities (assets) arising from financing activities

2024						
<i>(in millions of Korean won)</i>	January 1	Cash flows from (used in) financing activities	Effects of other changes			
			Additions	Exchange differences	Amortization and others	December 31
Borrowings	4,087,832	(733,260)	-	139,626	-	3,494,198
Debentures	5,136,779	554,453	-	173,051	4,261	5,868,544
Lease liabilities	155,464	(75,947)	48,443	(38)	250	128,172
Net derivatives liabilities (assets)	(104,687)	35,442	-	(292,506)	3,218	(358,533)
Total	9,275,388	(219,312)	48,443	20,133	7,729	9,132,381

2023						
<i>(in millions of Korean won)</i>	January 1	Cash flows from (used in) financing activities	Effects of other changes			
			Additions	Exchange differences	Amortization and others	December 31
Borrowings	3,090,435	949,009	-	48,388	-	4,087,832
Debentures	4,455,595	661,856	-	16,956	2,372	5,136,779
Lease liabilities	116,509	(73,695)	112,267	55	328	155,464
Net derivatives liabilities (assets)	(123,424)	-	-	(15,579)	34,316	(104,687)
Total	7,539,115	1,537,170	112,267	49,820	37,016	9,275,388

(c) Material non-cash transactions

<i>(in millions of Korean won)</i>	2024	2023
Reclassification of construction-in-progress to property, plant and equipment	519,643	130,517
Reclassification of construction-in-progress to intangible assets	524,639	300,434
Reclassification of current portion of borrowings and debentures	858,120	986,770
Reclassification of current portion of loans	795,472	35,950
Other payables to acquire property, plant and equipment	172,006	118,894
Other payables to acquire intangible assets	146,239	122,305
Acquisition of right-of-use assets	53,801	124,826

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33. Contingencies and commitments

33.1 Contingencies

(a) As of December 31, 2024, the Company is provided with performance guarantees of ₩328,724 million (2023: ₩322,915 million) from Seoul Guarantee Insurance and others relating to the performance guarantees.

(b) As of December 31, 2024, the financial guarantees provided by the Company to related parties amount to ₩4,206,674 million (2023: ₩3,695,867 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	Beneficiaries	December 31, 2024¹	December 31, 2023¹
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	921,523	875,568
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	742,350	651,147
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	324,549	287,212
LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	Citibank and others	308,700	-
ZKW Holding GmbH	The Export-Import Bank of Korea	305,746	285,318
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	279,660	285,933
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	230,664	205,582
LG Electronics Mlawa Sp. z.O.O.(LGEMA), LG Electronics Polska Sp. Z.O.O.(LGEPL), LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Citibank and others	173,630	183,227
LG Electronics do Brasil Ltda.(LGEBR)	Citibank	110,038	98,837
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	107,032	103,657
LG Electronics Algeria SARL(LGEAS)	Citibank and others	103,921	91,689
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	97,351	100,323
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	84,080	78,462
LG Electronics Colombia Limitada(LGECB)	Citibank and others	82,418	82,418
LG Electronics Almaty Kazakhstan Limited Liability Partnership(LGEAK)	Citibank	58,800	51,576
LG Electronics Saudi Arabia LLC	JPM and others	58,715	51,578
LG Electronics Egypt S.A.E(LGEEG)	CA_CIB and others	49,882	44,608
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	38,218	35,665
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	33,561	30,157

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<i>(in millions of Korean won)</i>	Beneficiaries	December 31, 2024¹	December 31, 2023¹
PT LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER(LGERC)	Citibank and others	27,930	24,499
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	27,894	24,780
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	15,287	14,266
Others	BBVA and others	24,725	89,365
Total		4,206,674	3,695,867

¹ These are the amount for which payment guarantees are provided as of December 31, 2024 and 2023. For some guarantee contracts, the Company has committed to include incidental costs incurred in performing guaranteed obligations and others in its payment guaranteed.

(c) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending as of December 31, 2024 and 2023. 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.

33.2 Commitments

(a) As of December 31, 2024, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank and others, with a limit of ₩1,769,650 million (2023: ₩852,463 million).

(b) As of December 31, 2024, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩3,026,850 million (2023: ₩2,691,837 million).

(c) As of December 31, 2024, the Company has corporate trade receivables secured loan agreement by electronic settlement and mutually beneficial cooperation settlement with various banks, including Shinhan Bank, for up to ₩1,255,550 million (2023: ₩1,243,811 million) in connection with the payment of trade payables. In addition, the Company has entered into supplier arrangements with financial institutions to enhance the efficiency of the payment process and to provide early payment options to suppliers. Under these agreements, if a supplier that has provided goods or services to the Company transfers its trade receivables to a financial institution within the payment term, the Company will settle the amount directly with the financial institution. Since the supply financing agreements do not result in a substantial reduction of the Company's payment obligations or modification of payment terms, there is no change in the underlying liabilities recognized as trade payables or other payables.

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(d) Contractual commitments for the acquisition of assets

Assets contracted for, but not yet acquired as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Property, plant and equipment	94,025	226,522
Intangible assets	34,961	39,000
Investments in subsidiaries, associates and joint ventures	76,106	96,975
Total	205,092	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 December 31, 2024 and 2023, the Company recognized this commitment as 'other financial liabilities' (See Note 7).

(e) Operating lease commitments – the Company as a lessor

i) The Company has non-cancellable operating lease agreements regarding home appliance rental business and investment properties. The future aggregate lease receipts under operating leases as of December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024					Total lease payments
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	
Home appliance rental	129,491	56,711	12,888	997	-	200,087
Real estate rental	4,700	4,700	4,685	127	4	14,216
Total	134,191	61,411	17,573	1,124	4	214,303

ii) The Company recognized ₩332,496 million (2023: ₩460,042 million) in lease income for the year ended December 31, 2024.

iii) Details of assets subject to operating lease are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Acquisition cost	546,941	814,639
Accumulated depreciation	(304,321)	(449,819)
Accumulated impairment losses	(50,203)	(50,166)
Net carrying amount	192,417	314,654

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iv) Changes in net carrying amount of assets subject to operating lease for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
January 1	314,654	457,184
Acquisition	10,354	51,932
Disposal and others	(56)	(1,948)
Depreciation	(122,768)	(176,937)
Impairment loss	(9,767)	(15,577)
December 31	192,417	314,654

(f) Financial lease commitments – the Company as lessor

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

<i>(in millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	Gross investment in the lease¹	Net investment in the lease	Gross investment in the lease¹	Net investment in the lease
Within one year	384,460	272,313	134,141	96,240
Between 1 and 2 years	399,179	307,822	134,610	103,408
Between 2 and 3 years	404,021	335,699	131,139	106,981
Between 3 and 4 years	385,227	341,557	134,926	118,442
Later than 4 years	474,657	450,446	195,713	184,827
Total	2,047,544	1,707,837	730,529	609,898

¹ There are no unguaranteed residual value reflected on gross investment in the lease.

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

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Gross investment in the lease	2,047,544	730,529
Net investment in the lease	1,707,837	609,898
Unrealized interest income	339,707	120,631

iii) For the year ended December 31, 2024, the Company recognized income amounting to ₩1,252,143 million (2023: ₩479,786 million) in relation to financial lease contract, and financial income net investment in the lease amounting to ₩78,196 million (2023: ₩22,426 million) is included.

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(g) License agreements including patent and trademark

As of December 31 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.

34. Related Party

(a) Major transactions for each of the two years in the period ended December 31, 2024 and the balances of receivables and payables from transaction with related parties as of December 31, 2024 and 2023 are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

		2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	1,510	-	1,510	203	139,362	139,565
Subsidiaries	LG Innotek Co., Ltd.	113,516	14,455	127,971	86,554	369	86,923
	Hiplaza Co., Ltd.	1,309,284	13,333	1,322,617	132,786	17,874	150,660
	LG Electronics U.S.A., Inc.	4,986,905	4,626	4,991,531	25,804	103,308	129,112
	LG Electronics Vietnam Hai Phong Co., Ltd	2,280,997	8,517	2,289,514	199,590	23,653	223,243
	LG Electronics Mlawa Sp. z.O.O.	1,079,710	2,337	1,082,047	1,586	2,512	4,098
	LG Electronics Canada, Inc.	603,008	21	603,029	471	15,572	16,043
	LG Electronics European Shared Service Center B.V.	414,778	9,728	424,506	2,418	32,196	34,614
	LG Electronics Nanjing New Technology co.,LTD	342,568	139	342,707	564,641	845	565,486
	LG Electronis Reynosa, S.A. De C.V.	257,425	383	257,808	359	421	780
	LG Electronics Vehicle Components Europe GmbH	641,291	12,471	653,762	8,563	114,338	122,901
	LG ELECTRONICS INDIA LIMITED	409,294	699	409,993	6,838	6,765	13,603
	LG ELECTRONICS AUSTRALIA PTY LIMITED	200,626	57	200,683	380	4,648	5,028
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	225,946	-	225,946	9,141	67	9,208
	LG Electronics do Brasil Ltda.	179,214	168	179,382	76	2,161	2,237
	P.T. LG Electronics Indonesia	208,617	2,974	211,591	530,127	201	530,328

LG Electronics Inc.
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(in millions of Korean won)

		2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	LG Electronics Vehicle Components U.S.A., LLC.	111,747	1,435	113,182	5,438	40,628	46,066
	LG Electronics Mexico S.A. DE C.V.	315,066	304	315,370	-	2,832	2,832
	LG Electronics RUS, LLC	137,498	1,789	139,287	92	2,871	2,963
	LG Electronics (Tianjin) Appliances Co., Ltd.	170,876	335	171,211	661,567	2,782	664,349
	LG Electronics U.K. Ltd	276,684	611	277,295	2,039	12,569	14,608
	Taizhou LG Electronics Refrigeration Co., Ltd.	115,561	4,018	119,579	442,898	498	443,396
	LG Electronics Almaty Kazakhstan	91,379	94	91,473	7	768	775
	LG Electronics Colombia Ltda.	89,008	69	89,077	1	369	370
	Hi-Caresolution Corp	44,948	-	44,948	315,708	198	315,906
	LG Electronics Deutschland GmbH	124,055	148	124,203	715	21,198	21,913
	LG Electronics Egypt S.A.E	67,101	1,970	69,071	-	1,019	1,019
	LG Electronics Africa Logistics FZE	312,983	5,506	318,489	-	1,309	1,309
	Zenith Electronics Corporation	57,184	1	57,185	57	396,014	396,071
	LG Electronics Panama, S.A.	165,146	342	165,488	1	1,622	1,623
	Others	3,126,826	15,595	3,142,421	358,113	508,909	867,022
	Subtotal	18,459,241	102,125	18,561,366	3,355,970	1,318,516	4,674,486
Associates	LG Display Co., Ltd. and its subsidiaries	283,541	105,935	389,476	349,121	73	349,194
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	202	-	202	3,508	-	3,508
	Robostar Co.,Ltd.	9	-	9	9,137	1,144	10,281
	ROBOTIS Co., Ltd.	-	-	-	-	74	74
	Acryl Inc.	-	-	-	681	1,561	2,242
	TheWaveTalk Co., Ltd.	-	-	-	-	100	100
	GOQUAL INC.	-	-	-	13	78	91
	Subtotal	283,752	105,935	389,687	362,460	3,030	365,490
Other related parties	LG CNS Co., Ltd. And its subsidiaries	61,920	3,324	65,244	120,180	1,002,742	1,122,922
	D&O Corp. and its subsidiaries	255	-	255	33	25,084	25,117
	LG Management Development Institute	51	-	51	10	75,175	75,185
	LG SPORTS Ltd.	10	18	28	280	15,166	15,446
	Subtotal	62,236	3,342	65,578	120,503	1,118,167	1,238,670
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	1,287,127	151,953	1,439,080	221,067	444	221,511
	LG Uplus Corp and its subsidiaries	44,263	2,678	46,941	6,914	631	7,545

LG Electronics Inc.
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		2024					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	1,133	2,518	3,651	-	16	16
	HS Ad Inc. and its subsidiaries	133	-	133	143	361,893	362,036
	XI C&A Co., Ltd. ²	1,100	-	1,100	-	14,343	14,343
	S&I Corp. and its subsidiaries ²	677	-	677	111	24,402	24,513
	Subtotal	1,334,433	157,149	1,491,582	228,235	401,729	629,964
	Total	20,141,172	368,551	20,509,723	4,067,371	2,980,804	7,048,175

(in millions of Korean won)

		2023					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	3,552	-	3,552	-	130,457	130,457
Subsidiaries	LG Innotek Co., Ltd.	264,480	14,033	278,513	82,563	1,304	83,867
	Hiplaza Co., Ltd.	1,585,587	12,587	1,598,174	33,217	19,422	52,639
	LG Electronics U.S.A., Inc.	5,423,257	26,353	5,449,610	12,948	112,043	124,991
	LG Electronics Vietnam Hai Phong Co., Ltd	2,245,972	565	2,246,537	142,628	23,992	166,620
	LG Electronics Mlawa Sp. z.O.O.	858,186	212	858,398	3,543	5,988	9,531
	LG Electronics Canada, Inc.	615,272	14	615,286	3	15,866	15,869
	LG Electronics European Shared Service Center B.V.	393,174	1,612	394,786	5,580	34,462	40,042
	LG Electronics Nanjing New Technology co.,LTD	410,277	348	410,625	673,267	664	673,931
	LG Electronis Reynosa, S.A. De C.V.	261,519	80	261,599	990	2,161	3,151
	LG Electronics Vehicle Components Europe GmbH	237,565	13,070	250,635	110,149	116,115	226,264
	LG ELECTRONICS INDIA LIMITED	307,347	41,033	348,380	7,019	4,517	11,536
	LG ELECTRONICS AUSTRALIA PTY LIMITED	147,781	57	147,838	250	4,109	4,359
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	223,960	-	223,960	9,596	4,054	13,650
	LG Electronics do Brasil Ltda.	195,791	176	195,967	1,450	2,768	4,218
	P.T. LG Electronics Indonesia	210,489	3,324	213,813	509,055	691	509,746
	LG Electronics Vehicle Components U.S.A., LLC.	280,169	13,107	293,276	5,621	65,414	71,035
	LG Electronics Mexico S.A. DE C.V.	351,155	336	351,491	-	3,129	3,129
	LG Electronics RUS, LLC	101,105	1,406	102,511	318	3,626	3,944
	LG Electronics (Tianjin) Appliances Co., Ltd.	155,246	139	155,385	549,482	656	550,138
	LG Electronics U.K. Ltd	200,947	7,346	208,293	5,900	15,788	21,688

LG Electronics Inc.
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(in millions of Korean won)

		2023					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	Taizhou LG Electronics Refrigeration Co., Ltd.	92,393	3,863	96,256	335,155	478	335,633
	LG Electronics Almaty Kazakhstan	121,705	196	121,901	-	656	656
	LG Electronics Colombia Ltda.	54,764	120	54,884	-	587	587
	Hi-Caresolution Corp	45,967	-	45,967	261,097	44,268	305,365
	Others	3,067,422	154,882	3,222,304	364,020	696,679	1,060,699
	Subtotal	17,851,530	294,859	18,146,389	3,113,851	1,179,437	4,293,288
Associates	LG Display Co., Ltd. and its subsidiaries	394,556	121,152	515,708	227,970	3,965	231,935
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	210	-	210	44,782	243	45,025
	Robostar Co.,Ltd.	9	-	9	19,507	1,094	20,601
	ROBOTIS Co., Ltd.	-	-	-	-	30	30
	Acryl Inc.	-	-	-	-	2,040	2,040
	SideChef Group Limited	-	-	-	-	1,288	1,288
	Subtotal	394,775	121,152	515,927	292,259	8,660	300,919
Joint venture	LG-LHT Passenger Solutions GmbH	767	-	767	-	-	-
Other related parties	LG CNS Co., Ltd. And its subsidiaries	115,211	3,056	118,267	112,176	676,622	788,798
	D&O Corp. and its subsidiaries	29	-	29	22	17,877	17,899
	LG Management Development Institute	46	-	46	155	61,781	61,936
	LG SPORTS Ltd.	7	16	23	-	15,958	15,958
	LG-MRI LLC ³	22,181	-	22,181	-	-	-
	Subtotal	137,474	3,072	140,546	112,353	772,238	884,591
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	1,008,585	37,907	1,046,492	263,721	10,654	274,375
	LG Uplus Corp and its subsidiaries	26,437	2,053	28,490	6,375	1,382	7,757
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	1,229	2,577	3,806	145	50	195
	HS Ad Inc. and its subsidiaries	137	-	137	54	280,508	280,562
	XI C&A Co., Ltd. ²	19,022	-	19,022	-	29,569	29,569
	S&I Corp. and its subsidiaries ²	6,231	-	6,231	548	97,564	98,112
	Subtotal	1,061,641	42,537	1,104,178	270,843	419,727	690,570
Total		19,449,739	461,620	19,911,359	3,789,306	2,510,519	6,299,825

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

³ The entity was liquidated completely during the year ended December 31, 2024.

ii) Major outstanding balances of receivables from and payables to related parties

(in millions of Korean won)

		December 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing the Company	LG Corp.	59	-	28,158	28,217	-	-	36,316	36,316
Subsidiaries	LG Innotek Co., Ltd.	35,828	-	738	36,566	25,238	-	24,362	49,600
	Hiplaza Co., Ltd.	122,359	-	32,675	155,034	-	-	885	885
	LG Electronics U.S.A., Inc.	462,157	-	395	462,552	-	-	14,079	14,079
	LG Electronics Vietnam Hai Phong Co., Ltd	372,109	-	4,581	376,690	860,091	-	16,623	876,714
	LG Electronics Mlawas Sp. z.O.O.	116,095	-	1,829	117,924	878,258	-	94	878,352
	LG Electronics Canada, Inc.	87,533	-	8	87,541	-	-	1,469	1,469
	LG Electronics European Shared Service Center B.V.	73,429	-	9,397	82,826	-	-	8,847	8,847
	LG Electronics Nanjing New Technology co.,LTD	90,607	-	66	90,673	421,332	-	264	421,596
	LG Electronics Reynosa, S.A. De C.V.	23,062	-	267	23,329	175,500	-	3	175,503
	LG Electronics Vehicle Components Europe GmbH	743,835	-	70,204	814,039	-	-	16,296	16,296
	LG ELECTRONICS INDIA LIMITED	62,515	-	77	62,592	18,612	-	2,640	21,252
	LG ELECTRONICS AUSTRALIA PTY LIMITED	37,409	-	13	37,422	-	-	579	579
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	41,517	-	49,001	90,518	2,111	-	3,005	5,116
	LG Electronics do Brasil Ltda.	59,675	-	3,429	63,104	-	-	725	725

LG Electronics Inc.
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(in millions of Korean won)

		December 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
	P.T. LG Electronics Indonesia	17,609	-	260	17,869	744,539	-	312	744,851
	LG Electronics Vehicle Components U.S.A., LLC.	109,558	-	10,450	120,008	-	-	3,856	3,856
	LG Electronics Mexico S.A. DE C.V.	188,424	-	34	188,458	-	-	175	175
	LG Electronics RUS, LLC	131,416	-	119,656	251,072	-	-	364	364
	LG Electronics (Tianjin) Appliances Co., Ltd.	45,388	-	154	45,542	313,231	-	47	313,278
	LG Electronics U.K. Ltd	67,950	-	10,894	78,844	-	-	1,615	1,615
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,179	-	965	31,144	413,022	-	141	413,163
	LG Electronics Almaty Kazakhstan	118,563	-	-	118,563	-	-	175	175
	LG Electronics Colombia Ltda.	99,800	-	54	99,854	-	-	163	163
	Hi-Caresolution Corp	7,521	-	-	7,521	-	-	27,197	27,197
	LG Electronics Deutschland GmbH	114,254	-	6,368	120,622	-	-	2,644	2,644
	LG Electronics Egypt S.A.E	34,910	-	4,881	39,791	24,701	-	166	24,867
	LG Electronics Africa Logistics FZE	32,364	-	-	32,364	-	-	19	19
	Zenith Electronics Corporation	-	-	5,101	5,101	-	-	134,422	134,422
	LG Electronics Panama, S.A.	35,236	-	-	35,236	-	-	126	126
	Others	1,059,807	-	50,443	1,110,250	783,133	-	124,477	907,610
	Subtotal	4,421,109	-	381,940	4,803,049	4,659,768	-	385,770	5,045,538
Associates	LG Display Co., Ltd. and its subsidiaries	67,544	1,000,000	72,850	1,140,394	163,352	-	44,188	207,540
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	-	-	-	-	1,712	-	3	1,715
	Robostar Co.,Ltd.	-	-	-	-	311	-	5,966	6,277
	Subtotal	67,544	1,000,000	72,850	1,140,394	165,375	-	50,157	215,532
Other related parties	LG CNS Co., Ltd. and its subsidiaries	12,521	-	316	12,837	2,894	-	408,363	411,257
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,384	4,384
	LG Management Development Institute	8	-	7	15	-	-	1,182	1,182
	LG SPORTS Ltd.	-	-	-	-	-	-	972	972
	Subtotal	12,530	-	323	12,853	2,894	-	414,901	417,795

LG Electronics Inc.
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(in millions of Korean won)

		December 31, 2024							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Others ¹	LG Chem Ltd., its subsidiaries and joint ventures	314,245	-	637,298	951,543	80,461	-	74,467	154,928
	LG Uplus Corp and its subsidiaries	856	-	487	1,343	127	-	829	956
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	21	-	277	298	-	-	45	45
	HS Ad Inc. and its subsidiaries	19	-	-	19	-	-	208,329	208,329
	Subtotal	315,141	-	638,062	953,203	80,588	-	283,670	364,258
	Total	4,816,383	1,000,000	1,121,333	6,937,716	4,908,625	-	1,170,814	6,079,439

(in millions of Korean won)

		December 31, 2023							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables ⁴	Total
Significantly influencing the Company	LG Corp.	480	-	29,911	30,391	-	-	33,391	33,391
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 Electronis Reynosa, S.A. De C.V.	21,910	-	12	21,922	128,099	-	-	128,099
	LG Electronics Vehicle Components Europe GmbH	549,598	-	66,032	615,630	-	-	12,696	12,696
	LG ELECTRONICS INDIA LIMITED	49,642	-	1,307	50,949	3,958	-	721	4,679
	LG ELECTRONICS AUSTRALIA PTY LIMITED	28,037	-	-	28,037	-	-	213	213

LG Electronics Inc.
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	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
	Others	996,661	-	50,044	1,046,705	685,025	-	158,032	843,057
	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.(HLDS) 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

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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 group to which the Company also belongs in accordance with the *Monopoly Regulation and Fair Trade Act*.

² The entity was liquidated completely during the year ended December 31, 2024.

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

⁴ Other payables include lease liabilities.

iii) Major capital transactions and others with related parties

(in millions of Korean won)

Classification	Name	2024						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	71,623	-	-	-	-	29,814
Subsidiaries	LG Innotek Co., Ltd.	25,195	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	456	-	-	-	-
	LG Electronics Fund II LLC	-	-	18,826	-	-	-	-
	LG Electronics U.S.A., Inc.	535,400	-	-	-	-	-	644,560
	NanJing LG-Panda Appliances Co., Ltd.	19,196	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	83,529	-	-	-	-	-	-
	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	-	-	-	-	-	-

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(in millions of Korean won)

(in millions of Korean won)		2024						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
Classification	Name							
	LG Electronics (Tianjin) Appliances Co., Ltd.	53,974	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,542	-	-	-	-	-	-
	LG Electronics Mlaw Sp. z.O.O.	68,807	-	-	-	-	-	-
	P.T. LG Electronics Indonesia	76,047	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	213,919	-	-	-	-	-	-
	LG Electronics Canada, Inc.	48,664	-	-	-	-	-	-
	LG Electronics do Brasil Ltda.	4,013	-	-	-	-	-	-
	LG Electronics Overseas Trading FZE	-	-	6,558	-	-	-	-
	Cybellum Technologies Ltd.	-	-	31,669	-	-	-	-
	Subtotal	1,238,059	-	57,509	-	-	-	644,560
	Associates	LG Display Co., Ltd. ¹	-	-	436,030	-	-	-
Ericsson-LG Co., Ltd.		17,500	-	-	-	-	-	-
Mirae Asset-LG Electronics New Growth Fund I		3,436	-	8,529	-	-	-	-
NOVA Prime Fund I, LP		-	-	5,584	-	-	-	-
Rinse, INC.		-	-	36,852	-	-	-	-
Subtotal		20,936	-	486,995	-	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	5,330	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	5,330	-	-	-	-
	Subtotal	-	-	10,660	-	-	-	-
	D&O Corp. and its subsidiaries	-	-	-	-	-	99	1,302
	Total	1,258,995	71,623	555,164	-	-	99	675,676

(in millions of Korean won)

(in millions of Korean won)		2023						
		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	-	38,566	-	-	-	29,889	27,673
Subsidiaries	LG Innotek Co., Ltd.	40,061	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	(1,868)	-	-	-	-

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(in millions of Korean won)

		2023						
		Cash			Financing loan transactions		Financing borrowing transactions ²	
Classification	Name	Dividend income	Dividend paid	distribution (reduction)	Loans	Collections	Borrowings	Repayments
	LG Electronics Fund II LLC	-	-	4,103	-	-	-	-
	LG Magna e-Powertrain Co. ,Ltd.	-	-	-	-	-	-	4,835
	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	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,174	-	-	-	-	-	-
	LG Electronics Mlawa 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 LIMITED	717,598	-	-	-	-	-	-
	Taizhou LG Electronics Refrigeration Co., Ltd.	44,172	-	-	-	-	-	-
	LG Electronics do Brasil Ltda.	69,535	-	-	-	-	-	-
	LG-Shaker Co., Ltd.	13,384	-	-	-	-	-	-
	HIEVCHARGER CO., LTD.	-	-	7,200	-	-	-	-
	Subtotal	1,747,252	-	67,665	-	-	706,790	271,783
Associates	LG Display Co., Ltd. ¹	-	-	-	1,000,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	NOVA Prime Fund I, LP	-	-	8,502	-	-	-	-

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(in millions of Korean won)		2023						
Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions ²	
					Loans	Collections	Borrowings	Repayments
	Subtotal	11,250	-	8,502	1,000,000	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	12,448	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	13,839	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD	-	-	321	-	-	-	-
	FITNESSCANDY CO.,LTD	-	-	1,377	-	-	-	-
	Subtotal	-	-	27,985	-	-	-	-
	Other related parties	LG CNS Co., Ltd. and its subsidiaries	-	-	-	-	-	-
	D&O Corp. and its subsidiaries	-	-	-	-	-	409	1,129
	Subtotal	-	-	-	-	-	409	1,250
	Total	1,758,502	38,566	104,152	1,000,000	-	737,088	300,706

¹ As of December 31, 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 December 31, 2024, ₩1,000,000 million has been executed.

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

(b) The compensation paid or payable to key management personnel for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)	2024	2023
Salaries and other short-term benefits	17,234	12,166
Retirement benefits	1,680	2,091
Other long-term benefits	2	2
Total	18,916	14,259

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 December 31, 2024 and 2023 are presented in Note 33.

(d) There is no collateral provided by the Company for the financial support of related parties as of December 31, 2024 and 2023.

(e) The Company has not recognized any bad debt expense or allowance for receivables from related parties as of December 31, 2024 and 2023.

35. Risk Management

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35.1 Financial Risk Management

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

The carrying amount and profit or loss of each category of financial instruments and details of borrowings related to financial risk management are presented in Note 4 and Note 15, respectively.

(a) Market risk

i) Foreign exchange risk

Due to its multinational business operations, the Company is exposed to foreign exchange risk on various currencies. The Company is mainly exposed to foreign exchange risk on the US 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 which regulate the measure and the management of foreign exchange risk. 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 by using this policy. 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.

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As of December 31, 2024 and 2023 if the foreign exchange rate of the Korean won fluctuated for monetary assets and liabilities denominated in major foreign currency other than functional currency by 10% while holding other variables constant, the impact on profit (loss) before tax would be as follows:

<i>(in millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	(35,564)	35,564	10,147	(10,147)
EUR/KRW	18,136	(18,136)	24,171	(24,171)

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 purpose 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 two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024		December 31, 2023	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	12,056	(12,056)	23,496	(23,496)
Interest expense	435	(435)	3,182	(3,182)

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iii) Details of derivative contracts are as follows:

Derivatives for hedging purposes

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

Details of hedging instruments are as follows:

	Contractor	Contracted amount (in millions)	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Carrying amount (in millions of Korean won)	
							Assets	Liabilities
Cross-currency swap	KEB 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	350,264	-
	Citi Bank	EUR 95	1,312.5	3.84	2022. 7. 15	2028. 1. 14	17,054	-
	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	4,382	13,167
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	5,625	15,213

Interest rates received for the above derivative contracts are equal to annual interest rates of borrowings (See Note 15).

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	2,973,641	(240,208)
Interest rate swap	Borrowings	958,321	3,527

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 loss (net of tax)	Accumulated other comprehensive loss
Cross-currency swap	240,208	Interest expense and exchange differences	(243,743)	(3,535)	(5,269)
Interest rate swap	(3,527)	Interest expense	(5,278)	(8,805)	(7,909)

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Derivatives for trading purposes

Stock purchase contracts

As of December 31, 2024, the Company granted a put option through the shareholder agreement to the shareholders and employees holding stock options of Cybellum Technologies Ltd. As of December 31, 2024, the Company recognized a derivative financial liability of ₩27,848 million for the remaining put options. Among the granted put options, the first tranche matured on November 1, 2024 and 24,003 shares were exercised. These exercised shares were settled at ₩20,696 million based on the exercise price agreed between the parties. As a result, the Company recognized a derivative valuation loss of ₩22,760 million related to this contract during the current year.

The Company also recognized a derivative financial asset of ₩22,590 million as it acquired a call option to purchase Series C-1 shares of Bear Robotics, Inc. for the year ended December 31, 2024. Additionally, the Company recognized a derivative valuation loss of ₩18,231 million related to this contract for the year ended December 31, 2024.

iv) Price risk

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

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

	December 31, 2024		December 31, 2023	
<i>(in millions of Korean won)</i>	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	12,461	(12,461)	4,556	(4,556)
NASDAQ	62	(62)	98	(98)
NYSE	1,482	(1,482)	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 7.

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(b) Credit risk

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

In regard to trade receivables, the Company operates an integrated receivable insurance program with the global top three receivable insurers (Allianz Trade, Atradius, Coface) and the Korea Trade Insurance Corporation (K-SURE). 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.

Details of credit soundness for trade receivables that are neither past due nor impaired are as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Trade receivables with insurance or collateral		
Excellent	113,470	80,925
Good	137,946	101,060
Fair	251,397	153,521
Poor ¹	270,037	88,998
Subtotal	772,850	424,504
Trade receivables without insurance or collateral		
Tier 1	5,480,684	4,175,960
Tier 2	159,510	348,117
Tier 3	574,817	385,075
Subtotal	6,215,011	4,909,152
Total	6,987,861	5,333,656

¹ Debtors with insurance or collateral, but without credit rating are included herein.

Criteria of categorizing trade receivables with insurance or collateral are as follows:

Category	Atradius	Allianz Trade	Coface	K-SURE
Excellent	1~28	1~3	8~10	A~B
Good	29~40	4~5	7	C
Fair	41~72	6~7	3~6	D~E
Poor	73~	8~10	0~2	F~R

Debtors for which credit ratings are not provided by insurance company are categorized using the criteria from domestic credit rating agency.

Criteria of categorizing trade receivables without insurance or collateral are as follows:

Tier 1 – National or local government, domestic credit rating agency AA- ~ AAA+, including related parties such as subsidiaries, associates, and others

Tier 2 – Debtors with domestic credit rating other than Tier 1

Tier 3 – Small debtors without credit history

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The credit rating of financial institutions which hold the Company's cash equivalents and deposits held by financial institutions as of December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	December 31, 2024	December 31, 2023
Excellent	1,324,651	2,491,134
Good	-	-
Total	1,324,651	2,491,134

Excellent: A- and above (Global credit rating agency such as Moody's), AA+ and above (Domestic credit rating agency such as Korea Investors Service)

Good: BBB- and above (Global credit rating agency such as Moody's), AA and above (Domestic credit rating agency such as Korea Investors Service)

(c) Liquidity risk

The Company forecasts its cash flow and liquidity status and sets action plans on a regular base 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 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 December 31, 2024.

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

<i>(in millions of Korean won)</i>	December 31, 2024				
	Total	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade payables	6,787,335	6,787,335	-	-	-
Borrowings	10,681,079	1,204,138	1,398,849	5,077,065	3,001,027
Lease liabilities	134,104	74,037	30,782	25,455	3,830
Other payables	2,504,159	2,492,269	-	11,690	200
Other financial liabilities	27,848	-	22,885	4,963	-
Total	20,134,525	10,557,779	1,452,516	5,119,173	3,005,057

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	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) The maturity analysis of financial guarantee contracts provided by the Company to subsidiaries and third party companies as of December 31, 2024 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	4,206,674	4,206,674	-	-	-

The financial guarantee contracts provided to subsidiaries and the third party companies are allocated to earliest period in which the Company can be required to make the payments, at the maximum amount of guarantees.

35.2 Capital risk management

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

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

<i>(in millions of Korean won, except for ratios)</i>	December 31, 2024	December 31, 2023
Liability(A)	23,421,431	21,232,006
Equity(B)	11,477,051	10,515,547
Cash and cash equivalents(C)	1,204,080	2,349,705
Borrowings and lease liabilities(D)	9,490,914	9,380,075
Liability to equity ratio(A/B)	204.1%	201.9%
Net borrowings ratio((D-C)/B)	72.2%	66.9%

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35.3 Fair value estimation

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

(in millions of Korean won)	December 31, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets and others	4,359	4,359	104,868	104,868
Financial assets at fair value through other comprehensive income				
Trade receivables	220,898	1	-	-
Other financial assets	-	-	68,728	1
Derivatives for hedging purposes				
Other financial assets	58,311	58,311	319,014	319,014
Assets at amortized cost				
Financial assets at amortized cost				
Cash and cash equivalents	1,204,080	1	-	-
Deposits held by financial institutions	-	1	120,631	1
Trade receivables	5,783,313	1	131,258	131,258
Other receivables	1,339,202	1	410,669	416,231
Other assets				
Trade payables	271,314	1	1,432,465	1,432,465
Total	8,881,477		2,587,633	

(in millions of Korean won)	December 31, 2024			
	Current		Non-current	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities at fair value				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	27,848	27,848
Derivatives for hedging purposes				
Other financial liabilities	-	-	28,380	28,380
Liabilities at amortized cost				
Financial liabilities at amortized cost				
Trade payables	6,787,335	1	-	-
Borrowings	901,800	1	8,460,942	8,822,622
Other payables	2,492,269	1	11,890	10,700
Other liabilities				
Lease liabilities	72,610	2	55,562	2
Other financial liabilities	7,682	3	6,930	3
Total	10,261,696		8,591,552	

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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
Assets at fair value				
Financial assets at fair value through profit or loss				
Other financial assets	-	-	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	120,652
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	

<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	

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

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

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

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

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

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

- Level 1: Financial instruments measured at the quoted price 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 a discounted cash flow, if one or more of the significant inputs are unobservable in the market, the instrument is included in Level 3. The assets or liabilities categorized within Level 3 are unmarketable equity securities and debt securities.

The fair value of financial instruments traded in active markets is based on quoted market prices as of December 31, 2024. 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 as of December 31, 2024. 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.

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

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

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 December 31, 2024 and 2023 are as follows:

	December 31, 2024			
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	32,912	-	35,816	68,728
Financial assets at fair value through profit or loss	-	4,359	104,868	109,227
Derivatives for hedging purposes	-	377,325	-	377,325
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	27,848	-	27,848
Derivatives for hedging purposes	-	28,380	-	28,380

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(in millions of Korean won)	December 31, 2023			
	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	-	40,848	-	40,848

The above fair value amounts are recurring fair value measurements.

- 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 December 31, 2024 and 2023 are as follows:

	Fair value			
(in millions of Korean won)	December 31, 2024	December 31, 2023	Valuation techniques	Inputs
Assets				
Other financial assets				
Financial assets at fair value through profit or loss	4,359	-	Binomial model	Share price and volatility
Derivatives for hedging purposes	377,325	155,086	Discounted cash flow	Discount rate and exchange rate
	Fair value			
(in millions of Korean won)	December 31, 2024	December 31, 2023	Valuation techniques	Inputs
Liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	27,848	18,304	Binomial model	Share price and volatility
Derivatives for hedging purposes	28,380	47,458	Discounted cash flow	Discount rate and exchange rate

- Valuation technique and inputs of fair value measurements categorized within Level 3

As of December 31, 2024 and 2023, 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.

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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 December 31, 2024 and 2023 are as follows:

	December 31, 2024			
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Non-current trade receivables	-	-	1,563,723	1,563,723
Non-current other receivables	-	-	416,231	416,231
Liabilities				
Non-current borrowings	-	-	8,822,622	8,822,622
Non-current other payables	-	-	10,700	10,700

	December 31, 2023			
<i>(in millions of Korean won)</i>	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 December 31, 2024 and 2023, 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.

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- 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 December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023					
(in millions of Korean won)	Carrying amount	Fair value	Carrying amount	Fair value	Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
Assets								
Non-current trade receivables	1,563,723	1,563,723	617,892	617,892	Discounted cash flow	Discount rate and exchange rate	Discount rate	5.2%~6.1%
Non-current other receivables	410,669	416,231	1,169,185	1,163,774	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.9%~4.8%
Liabilities								
Non-current borrowings	8,460,942	8,822,622	7,620,242	7,288,520	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.2%~4.7%
Non-current other payables	11,890	10,700	11,960	10,158	Discounted cash flow	Discount rate	Discount rate	3.2%~4.1%

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36. Discontinued Operations

In 2024, the Company discontinued the operations of the battery pack business, and in 2022, the operations of the energy business, in order to focus on the Company's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

Profit and loss from discontinued operations for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Net sales	-	842
Operating profit (loss)	(346,044)	(109,677)
Profit (Loss) before income tax	(383,598)	(156,978)
Income tax expense (benefit)	(99,548)	(39,980)
Profit (Loss) for the year, net of tax	(284,050)	(116,998)

Cash flows from discontinued operations for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Net cash flows from (used in) operating activities	(54,864)	(339,500)
Net cash flows from (used in) investing activities	1,215	(61)
Net cash flows from (used in) financing activities	53,649	339,561

37. Approval of the Separate Financial Statements

The separate financial statements of the Company were approved by the Board of Directors on January 22, 2025, and are scheduled to be finally approved at the regular general meeting of shareholders to be held on March 25, 2025.

38. Events After the Reporting Period

On January 22, 2025, the Board of Directors resolved to acquire a 30% stake in Bear Robotics, Inc. in accordance with an existing shareholder's agreement. Additionally, the Board approved the transfer of LG Electronics' robotics business to Bear Robotics, Inc.