

LG ENERGY SOLUTION, LTD.

**Interim Condensed Separate Financial Statements
As of June 30, 2025, and December 31, 2024, and
For the Three-Month and Six-Month Periods Ended June 30,
2025 and 2024**

(With the Independent Auditor's Review Report Thereon)

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Report on Review of Interim Condensed Separate Financial Statements

English Translation of Independent Auditor's Review Report Originally Issued in Korean on August 11, 2025

**To the Shareholders and the Board of Directors of
LG Energy Solution, Ltd.:**

Reviewed financial statements

We have reviewed the accompanying interim condensed separate financial statements of LG Energy Solution, Ltd. (the "Company"). These interim condensed separate financial statements consist of the interim condensed separate statement of financial position as of June 30, 2025, and the related interim condensed separate statements of profit or loss and interim condensed separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, the interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows, all expressed in Korean won, for the six-month periods ended June 30, 2025 and 2024, and a summary of material accounting policies and other explanatory information.

Management's responsibility for the interim condensed separate financial statements

Management is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with Korean International Financial Reporting Standard ("K-IFRS") 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim condensed separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

We conducted our review in accordance with the review standards for interim financial statements in the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing ("KSAs"), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

**Other matters**

We have audited the separate statement of financial position as of December 31, 2024, and the related separate statement of profit or loss, separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, in accordance with KSAs. We expressed an unqualified opinion on those separate financial statements, not presented herein, in our audit report dated March 5, 2025.

The accompanying separate statement of financial position as of December 31, 2024, presented for comparative purposes, is not different, in all material respects, from the above audited separate statement of financial position.

A handwritten signature in black ink that reads "Deloitte idnjin LLC". The signature is written in a cursive, stylized font.

August 11, 2025

This review report is effective as of August 11, 2025, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed separate financial statements and may result in modifications to this review report.

LG ENERGY SOLUTION, LTD. (the “Company”)

Interim condensed separate financial statements
as of June 30, 2025, and December 31, 2024, and
for the Three-Month and Six-Month Periods Ended June 30, 2025 and 2024

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

Dong Myung Kim
Chief Executive Officer
LG Energy Solution, Ltd.

LG Energy Solution, Ltd.
Interim condensed separate statements of financial position
As of June 30, 2025, and December 31, 2024

(Korean won in millions)

	Notes		June 30, 2025		December 31, 2024
Assets					
Current assets					
Cash and cash equivalents	3,5,6	₩	3,030,929	₩	849,894
Trade receivables	3,5,7,29		1,843,812		2,303,799
Other receivables	3,5,7,29		1,150,312		1,015,552
Prepaid income taxes			3,297		10,478
Other current assets	13		159,582		185,384
Inventories	9		1,013,174		1,228,678
			7,201,106		5,593,785
Non-current assets					
Trade receivables	3,5,7		137,854		148,296
Other receivables	3,5,7,29		111,373		145,236
Other non-current financial assets	3,5,8		724,677		1,033,765
Investments in subsidiaries	10		14,893,498		13,379,517
Investments in associates	10		73,529		69,993
Deferred tax assets	27		2,088,948		1,913,174
Property, plant and equipment	11		4,234,837		4,059,252
Intangible assets	12		1,096,971		918,174
Investment properties	32		213,073		226,094
Other non-current assets	13,16		118,056		153,524
			23,692,816		22,047,025
Total assets		₩	30,893,922	₩	27,640,810
Liabilities					
Current liabilities					
Trade payables	3,5,29	₩	736,812	₩	1,114,929
Other payables	3,5,29		876,955		1,509,931
Borrowings	3,5,11,14,30		773,614		157,950
Other current financial liabilities	3,5,8		53,857		43,107
Provisions	15		607,163		670,990
Other current liabilities	17,31		561,508		415,566
			3,609,909		3,912,473
Non-current liabilities					
Other payables	3,5,29		2,329		2,329
Borrowings	3,5,11,14,30		11,204,773		7,804,308
Other non-current financial liabilities	3,5,8		365,867		-
Provisions	15		176,334		147,019
Other non-current liabilities	17,31		41,269		57,601
			11,790,572		8,011,257
Total liabilities			15,400,481		11,923,730
Equity					
Share capital	19		117,000		117,000
Capital surplus	19		17,589,722		17,589,722
Accumulated other comprehensive loss			(52,289)		(51,598)
Accumulated deficit	20		(2,160,992)		(1,938,044)
Total equity			15,493,441		15,717,080
Total liabilities and equity		₩	30,893,922	₩	27,640,810

The accompanying notes are an integral part of the interim condensed separate financial statements.

LG Energy Solution, Ltd.
Interim condensed separate statements of profit or loss
For the three-month and six-month periods ended June 30, 2025 and 2024

(Korean won in millions)

	Notes	June 30, 2025		June 30, 2024	
		Three months	Six months	Three months	Six months
Revenue	21,29,31	₩ 1,744,834	₩ 3,921,902	₩ 1,654,590	₩ 3,562,521
Cost of sales	21,22,29	1,409,517	3,145,431	1,498,659	2,936,096
Gross profit		335,317	776,471	155,931	626,425
Selling and administrative expenses	21,22,23,29	548,661	1,303,849	782,307	1,524,787
Operating loss	21	(213,344)	(527,378)	(626,376)	(898,362)
Finance income	5,24,29	621,249	787,430	177,236	371,933
Finance costs	5,24,29	845,048	1,017,403	188,869	381,580
Other non-operating income	25	670,460	759,722	98,025	779,388
Other non-operating expenses	26	228,758	289,814	68,020	128,452
Profit (loss) before income tax expense (benefit)		4,559	(287,443)	(608,004)	(257,073)
Income tax expense (benefit)	27	(6,793)	(70,869)	36,941	(6,576)
Profit (loss) for the period		₩ 11,352	₩ (216,574)	₩ (644,945)	₩ (250,497)
Earnings (losses) per share attributable to the equity holders of the company (in Korean won)	28				
Basic or diluted earnings (losses) per share		₩ 49	₩ (926)	₩ (2,757)	₩ (1,071)

The accompanying notes are an integral part of the interim condensed separate financial statements.

LG Energy Solution, Ltd.
Interim condensed separate statements of comprehensive income
For the three-month and six-month periods ended June 30, 2025 and 2024

(Korean won in millions)

	Notes	June 30, 2025		June 30, 2024	
		Three months	Six months	Three months	Six months
Profit (loss) for the period		₩ 11,352	₩ (216,574)	₩ (644,945)	₩ (250,497)
Other comprehensive income (loss):					
Items that will not be subsequently reclassified to profit or loss:					
Remeasurements of net defined benefit liabilities	16	149	1,030	(205)	(856)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income ("FVOCI")	5	(7,533)	(10,154)	213	1,650
Income tax effect of other comprehensive income		<u>1,663</u>	<u>2,059</u>	<u>(3)</u>	<u>(183)</u>
		(5,721)	(7,065)	5	611
Items that may be subsequently reclassified to profit or loss:					
Gain (loss) on cash flow hedge	5	-	-	857	1,237
Income tax effect of other comprehensive income		<u>-</u>	<u>-</u>	<u>(196)</u>	<u>(283)</u>
		-	-	661	954
Other comprehensive income (loss) for the period, net of tax		<u>(5,721)</u>	<u>(7,065)</u>	<u>666</u>	<u>1,565</u>
Total comprehensive income (loss) for the period, net of tax		<u>₩ 5,631</u>	<u>₩ (223,639)</u>	<u>₩ (644,279)</u>	<u>₩ (248,932)</u>

The accompanying notes are an integral part of the interim condensed separate financial statements.

LG Energy Solution, Ltd.
**Interim condensed separate statements of changes in equity
For the six-month periods ended June 30, 2025 and 2024**

(Korean won in millions)

	Notes	Share capital	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total
As of January 1, 2024		₩ 117,000	₩ 17,589,722	₩ (53,516)	₩ (1,051,712)	₩ 16,601,494
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(250,497)	(250,497)
Remeasurements of net defined benefit liabilities	16	-	-	-	(661)	(661)
Gain on valuation of financial assets at FVOCI		-	-	1,272	-	1,272
Gain on cash flow hedge	5	-	-	954	-	954
Total comprehensive loss for the period		-	-	2,226	(251,158)	(248,932)
As of June 30, 2024		₩ 117,000	₩ 17,589,722	₩ (51,290)	₩ (1,302,870)	₩ 16,352,562
As of January 1, 2025		₩ 117,000	₩ 17,589,722	₩ (51,598)	₩ (1,938,044)	₩ 15,717,080
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(216,574)	(216,574)
Remeasurements of net defined benefit liabilities	16	-	-	-	797	797
Loss on valuation of financial assets at FVOCI		-	-	(7,862)	-	(7,862)
Gain on cash flow hedge	5	-	-	-	-	-
Total comprehensive loss for the period		-	-	(7,862)	(215,777)	(223,639)
Transactions with owners of the Company recognized directly in equity:						
Disposal of financial assets at FVOCI		-	-	7,171	(7,171)	-
Total transactions with owners of the Company recognized directly in equity		-	-	7,171	(7,171)	-
As of June 30, 2025		₩ 117,000	₩ 17,589,722	₩ (52,289)	₩ (2,160,992)	₩ 15,493,441

The accompanying notes are an integral part of the interim condensed separate financial statements.

LG Energy Solution, Ltd.
Interim condensed separate statements of cash flows
For the six-month periods ended June 30, 2025 and 2024

(Korean won in millions)

	Notes	June 30, 2025	June 30, 2024
Cash flows from operating activities:			
Cash generated from operations	30 ₩	(442,728)	₩ 666,860
Interest received		24,514	33,938
Interest paid		(178,687)	(94,843)
Dividends received		583,573	540,827
Income tax paid		(100,095)	(106,962)
Net cash provided by operating activities		(113,423)	1,039,820
Cash flows from investing activities:			
Cash inflow from investing activities:			
Decrease in other receivables		-	5,000
Decrease in other non-current receivables		4,617	2,588
Proceeds from disposal of financial instruments		4,796	1,288
Proceeds from disposal of property, plant and equipment		510	500
Proceeds from disposal of intangible assets		2	1,098
Government grants received related to property, plant and equipment		2,000	-
Other cash inflow for investing activities		-	144
		11,925	10,618
Cash outflow for investing activities:			
Increase in other non-current receivables		(14,691)	(6,828)
Acquisition of investments in subsidiaries		(1,513,981)	(2,152,195)
Acquisition of investments in associates		(3,536)	(7,847)
Acquisition of financial instruments		(19,405)	(17,486)
Acquisition of property, plant and equipment		(721,939)	(684,689)
Acquisition of intangible assets		(66,127)	(52,199)
Other cash outflow for investing activities		(825)	(2,359)
		(2,340,504)	(2,923,603)
Net cash used in investing activities		(2,328,579)	(2,912,985)
Cash flows from financing activities:			
Cash inflow from financing activity:			
Increase in borrowings	30	<u>4,772,897</u>	<u>1,595,376</u>
		4,772,897	1,595,376
Cash outflow for financing activity:			
Repayment of borrowings	30	<u>(141,921)</u>	<u>(15,704)</u>
		(141,921)	(15,704)
Net cash provided by financing activities		4,630,976	1,579,672
Net increase (decrease) in cash and cash equivalents		2,188,974	(293,493)
Cash and cash equivalents at beginning of the period		849,894	1,855,224
Effects of exchange rate changes on cash and cash equivalents		(7,939)	1,218
Cash and cash equivalents at end of the period		<u>₩ 3,030,929</u>	<u>₩ 1,562,949</u>

The accompanying notes are an integral part of the interim condensed separate financial statements.

LG Energy Solution, Ltd.
Notes to the interim condensed separate financial statements
As of June 30, 2025, and December 31, 2024, and
For the three-month and six-month periods ended June 30, 2025 and 2024

1. GENERAL:

General information about LG Energy Solution, Ltd. is as follows:

1.1 Company Information

LG Energy Solution, Ltd. (the “Company”), a split-off of LG Chem, Ltd.’s battery division, was incorporated on December 1, 2020.

As of June 30, 2025, the Company is engaged in the battery industry with its manufacturing facilities located in Ochang.

The Company’s shares have been listed on the Korea Exchange since January 27, 2022, and the share capital is ₩117,000 million as of June 30, 2025. The largest shareholder of the Company is LG Chem, Ltd., which holds 81.84% of the Company’s ordinary shares.

The Company is authorized to issue 800 million shares (₩500 per share) and has issued 234 million of ordinary shares as of June 30, 2025.

1.2 Business Overview

The Company is engaged in providing energy solution services.

The Company manufactures and supplies batteries ranging from information technology (“IT”) and new application batteries for mobile phones and laptops to automotive batteries for electric vehicles and ESS batteries. Demand for mobile batteries for new applications, such as electric tools and other electrical devices, as well as traditional IT devices, is increasing recently, and the automotive battery business is also expected to expand rapidly due to increasing demand for batteries associated with enhanced environment regulation in developed countries. Demand for ESS is expanding with an increasing importance of efficient usage of electricity and generation of renewable energy.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES:

2.1 Basis of Preparation

The Company’s interim condensed separate financial statements were prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”) 1034 *Interim Financial Reporting* as part of the period covered by the Company’s K-IFRSs’ annual separate financial statements, and these are separate financial statements prepared in accordance with K-IFRS 1027 *Separate Financial Statements*. In order to be understood, these interim condensed separate financial statements should be read in conjunction with the annual separate financial statements as of and for the fiscal year ended December 31, 2024, prepared in accordance with the K-IFRSs.

2.2 Application of the Amended and Enacted Standards

The material accounting policies applied in the preparation of the interim condensed separate financial statements are consistent with the accounting policies adopted in the preparation of the annual separate financial statements as of and for the fiscal year ended December 31, 2024, except for the impacts related to the adoption of the standards or interpretations described below.

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

As of June 30, 2025, and December 31, 2024, and

For the three-month and six-month periods ended June 30, 2025 and 2024

1) New and amended K-IFRSs and new interpretations that are effective for the current period

- K-IFRS 1021 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

2) New and revised K-IFRSs in issue, but not yet effective

- K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures – Classification and Measurement Requirements of Financial Instruments

The amendments clarify the conditions related to the discharge of a financial liability before the settlement date when settling such financial liabilities using an electronic payment system. They further specify an interest feature, a contingent feature, financial assets with non-recourse features and contractually linked instruments that should be considered in assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. Furthermore, the amendments include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows. The amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- K-IFRS 1109 Financial Instruments – Derecognition of Lease Liabilities and Transaction Price

The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with K-IFRS 1109, the lessee is required to recognize any resulting gain or loss in profit or loss. Additionally, the amendments have replaced ‘their transaction price (as defined in K-IFRS 1115)’ in K-IFRS 1109:5.1.3 with ‘the amount determined by applying K-IFRS 1115’ to remove an inconsistency between K-IFRS 1109 and the requirements in K-IFRS 1115.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- K-IFRS 1110 Consolidated Financial Statements – Determination of ‘De Facto Agent’

The amendments have amended K-IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgment is required to determine whether a party is acting as a de facto agent.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- K-IFRS 1101 First-Time Adoption of Korean International Financial Reporting Standards – Hedging Accounting by a First-Time Adopter

The amendments have improved the consistency of the wording of K-IFRS 1101:B6 with the requirements for hedge accounting in K-IFRS 1109 and added cross-references to K-IFRS 1109:6.4.1 to improve the understandability of K-IFRS 1101.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

As of June 30, 2025, and December 31, 2024, and

For the three-month and six-month periods ended June 30, 2025 and 2024

- K-IFRS 1107 Financial Instruments: Disclosures – Gain or Loss on Derecognition

The amendments have updated the obsolete cross-reference in K-IFRS 1107:B38 and aligned the wording of this paragraph with the terms used in K-IFRSs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- K-IFRS 1007 Statement of Cash Flows: Cost Method

The amendments have replaced the term ‘cost method’ with ‘at cost’ in K-IFRS 1007:37.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

The Company does not anticipate that the application of the amendment will have a significant impact on its interim condensed separate financial statements.

3. FINANCIAL RISK MANAGEMENT:

3.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market, credit and liquidity. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance team under policies approved by the board of directors. The finance team identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The board of directors reviews and approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk; use of derivative financial instruments and non-derivative financial instruments; and investment of excess liquidity.

(1) Market risk

1) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from forecast transactions and recognized assets and liabilities.

Management has set up a policy for each division of the Company to manage its foreign exchange risk against its functional currency. The Company employs personnel exclusively responsible for currency risk management and uses foreign exchange derivatives such as currency forwards and currency swaps as hedging instruments, excluding those held for trading purposes in principle.

The Company makes certain investments in foreign operations whose net assets are exposed to foreign exchange risk. This exposure is managed primarily through borrowings denominated in the relevant foreign currencies.

Monetary assets and liabilities denominated in foreign currencies as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
USD	₩ 3,406,442	₩ 8,380,421	₩ 3,792,951	₩ 6,429,977
EUR	130,996	45,945	233,520	103,185
JPY	38,478	10,529	41,070	30,329
CNY and others	105,159	12,318	183,072	45,407

With all other variables held constant as of June 30, 2025, and December 31, 2024, a hypothetical change in exchange rates by 10% would have increased (decreased) the Company's net income as follows (Korean won in millions):

	June 30, 2025		December 31, 2024	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ (497,398)	₩ 497,398	₩ (263,703)	₩ 263,703
EUR	8,505	(8,505)	13,034	(13,034)
JPY	2,795	(2,795)	1,074	(1,074)
CNY and others	9,284	(9,284)	13,767	(13,767)

The above sensitivity analysis has been performed for monetary assets and liabilities denominated in foreign currencies as of June 30, 2025, and December 31, 2024.

LG Energy Solution, Ltd.
Notes to the interim condensed separate financial statements
As of June 30, 2025, and December 31, 2024, and
For the three-month and six-month periods ended June 30, 2025 and 2024

As of June 30, 2025, the Company entered into foreign currency forwards and foreign currency swaps to hedge change in exchange rates and the details are as follows (Korean won in millions):

	Contractor	Contract amount (in millions)	Contract exchange rate	Contract inception date	Contract maturity	Book amount	
						Assets	Liabilities
Currency forward (*)	KB Kookmin Bank	USD 500	1,102.83	2020.11.24	2029.04.16	₩ 83,307	₩ -
	JP Morgan	USD 200	1,337.60	2023.09.25	2026.09.25	1,365	-
	Shinhan Bank	USD 200	1,337.60	2023.09.25	2026.09.25	2,643	-
	KDB Bank	USD 400	1,337.60	2023.09.25	2028.09.25	-	2,570
	Woori Bank	USD 200	1,337.60	2023.09.25	2028.09.25	-	1,272
	DBS	USD 200	1,380.80	2024.07.02	2027.07.02	-	4,110
	JP Morgan	USD 200	1,380.80	2024.07.02	2027.07.02	-	5,110
	Shinhan Bank	USD 300	1,380.80	2024.07.02	2027.07.02	-	5,563
	KB Kookmin Bank	USD 200	1,380.80	2024.07.02	2029.07.02	-	5,917
	Woori Bank	USD 200	1,380.80	2024.07.02	2029.07.02	-	5,842
	Korea Exim Bank	USD 200	1,380.80	2024.07.02	2029.07.02	-	5,820
	IBK Securities	USD 100	1,380.80	2024.07.02	2029.07.02	-	3,027
	KDB Bank	USD 100	1,380.80	2024.07.02	2029.07.02	-	2,982
	KDB Bank	USD 400	1,380.80	2024.07.02	2034.07.02	-	35,715
	Woori Bank	USD 100	1,380.80	2024.07.02	2034.07.02	-	8,925
Currency swap (*)	Hana Bank	USD 200	1,471.70	2025.04.02	2028.04.02	-	23,222
	JP Morgan	USD 100	1,471.70	2025.04.02	2028.04.02	-	12,481
	SMBC	USD 100	1,471.70	2025.04.02	2028.04.02	-	11,653
	Shinhan Bank	USD 200	1,471.70	2025.04.02	2030.04.02	-	27,706
	Woori Bank	USD 100	1,471.70	2025.04.02	2030.04.02	-	13,830
	KDB Bank	USD 500	1,471.70	2025.04.02	2030.04.02	-	60,391
	Shinhan Bank	USD 100	1,471.70	2025.04.02	2030.04.02	-	12,166
	Woori Bank	USD 200	1,471.70	2025.04.02	2035.04.02	-	33,441
	Hanwha Securities	USD 200	1,471.70	2025.04.02	2035.04.02	-	33,435
	Hana Bank	USD 100	1,471.70	2025.04.02	2035.04.02	-	16,813
	KB Kookmin Bank	USD 100	1,471.70	2025.04.02	2035.04.02	-	16,949
	Credit Agricole	USD 50	1,471.70	2025.04.02	2035.04.02	-	8,565
	KDB Bank	USD 50	1,471.70	2025.04.02	2035.04.02	-	8,363

(*) A derivative where hedge accounting is not applied.

2) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate because of changes in future market interest rates. The interest rate risk mainly arises through floating-rate deposits and borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty in interest rate fluctuations and net interest expense.

The Company adequately minimizes risks from interest rate fluctuations through various policies, such as sharing excess cash within the Company (internal cash sharing), to minimize external borrowings; avoiding high-rate borrowings; reforming capital structure; managing an appropriate ratio of fixed-rate borrowings and floating-rate borrowings; monitoring a fluctuation of domestic and foreign interest rates daily, weekly and monthly; establishing alternatives; and balancing floating-rate short-term borrowings with floating-rate deposits.

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The table below summarizes the impact of increases/decreases in interest rates on the Company's equity and profit before tax for the period. The analysis is based on the assumption that the interest rate has increased/decreased by 1% (100 bp) with all other variables held constant (Korean won in millions).

	Effect on profit and loss before tax		Impact on equity	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Increase	₩ (2,700)	₩ -	₩ (2,700)	-
Decrease	2,700	-	2,700	-

3) Price risk

The Company is exposed to price risks from equity instruments. As of June 30, 2025, the fair value of equity instruments is ₩78,421 million. With all other variables held constant, a price change in equity instruments by 10% would have changed the Company's equity by ₩7,842 million before tax.

(2) Credit risk

Credit risk arises from trade receivables that the Company holds as well as financial assets at amortized cost.

The Company has established the following policies and procedures to manage credit risks:

To manage credit risks relating to trade receivables, the Company evaluates the credit rating of customers and determines the credit limit for each customer based on the information provided by credit rating agencies and other available financial information before commencing business with new customers. The credit risks relating to trade receivables are also mitigated by insurance contracts and collateral, as well as payment guarantees.

The Company has entered into export bond insurance contracts with Korea Trade Insurance Corporation to mitigate credit risks relating to export trade receivables to overseas customers. The Company is also provided with collateral by customers depending on their credit rating or payment guarantees from the customers' financial institutions, if necessary.

The Company has deposited its cash and cash equivalents and other long-term deposits in several financial institutions, such as Woori Bank and others. The Company has also entered into derivative contracts with several financial institutions. The Company maintains business relationships with financial institutions with high credit ratings evaluated by independent credit rating agencies and, accordingly, credit risks associated with these financial institutions are limited.

1) Trade receivables

The Company applies the simplified approach in measuring expected credit losses, which uses lifetime expected provisions for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

For the six-month period ended June 30, 2025, and for the year ended December 31, 2024, there were no changes in the provisions for trade receivables.

As of June 30, 2025, the carrying amount of trade receivables representing the maximum exposure to credit risk amounts to ₩1,981,666 million (as of December 31, 2024, ₩2,452,095 million).

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2) Other financial assets at amortized cost

All of the financial assets at amortized cost are considered to have low credit risk, and the provisions recognized during the period were, therefore, limited to 12 months' expected losses. As of June 30, 2025, and December 31, 2024, the provision for other financial assets measured at amortized cost do not exist.

3) Debt instruments measured at FVOCI

Debt instruments measured at FVOCI include trade receivables to be discounted. The provisions for these instruments are recognized in profit or loss and reduce the amount that would have been recognized in other comprehensive income as a loss on fair value change.

(3) Liquidity risk

The finance team of the Company monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining the limit of unused borrowings at an appropriate level so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company's liquidity management policy considers the Company's financing plans; covenants on the debt contracts; target financial ratios; and, if applicable, other external regulatory requirements on the currency and others.

- 1) The table below analyzes the Company groupings based on the remaining period from the reporting date to the contractual maturity date. Cash flows presented below are gross cash flows before discount and include cash flows for interests (Korean won in millions):

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		June 30, 2025			
		Less than 1 year	Between 1 year- 2 years	Between 2- 5 years	More than 5 years
Non-derivative instruments:					
Borrowings	₩	1,312,734	₩ 2,354,613	₩ 8,488,732	₩ 2,334,008
Lease liabilities		25,324	11,513	10,697	113
Trade and other payables (*)		1,613,767	1,935	394	-
		2,951,825	2,368,061	8,499,823	2,334,121
Derivative instruments:					
Currency forwards and swaps settled in gross:					
Inflows		-	(542,560)	(5,289,960)	(1,627,680)
Outflows		-	535,040	5,338,385	1,720,590
		-	(7,520)	48,425	92,910
	₩	2,951,825	₩ 2,360,541	₩ 8,548,248	₩ 2,427,031
		December 31, 2024			
		Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Non-derivative instruments:					
Borrowings	₩	502,206	₩ 1,696,424	₩ 6,206,171	₩ 1,137,105
Lease liabilities		34,638	15,152	14,876	123
Trade and other payables (*)		2,624,860	1,478	851	-
		3,161,704	1,713,054	6,221,898	1,137,228
Derivative instruments:					
Currency forwards and swaps settled in gross:					
Inflows		-	(588,000)	(3,822,000)	(735,000)
Outflows		-	535,040	3,425,175	690,400
		-	(52,960)	(396,825)	(44,600)
	₩	3,161,704	₩ 1,660,094	₩ 5,825,073	₩ 1,092,628

(*) As of June 30, 2025, there is no amount among the payments made using the purchasing card for which the substantive maturity has been extended (as of December 31, 2024, was ₩439,603 million) (see Note 5.(3)).

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2) Details of financial guarantee contracts by maturity as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025			
	Less than 1 year	Between 1 year-2 years	Between 2- 5 years	More than 5 years
Financial guarantee contracts (*)	₩ 4,220,666	₩ -	₩ -	₩ -

	December 31, 2024			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Financial guarantee contracts (*)	₩ 2,731,136	₩ -	₩ -	₩ -

(*) The Company has provided financial guarantees for subsidiaries, etc., and the amount represents the maximum amount that can be required to guarantee as of June 30, 2025, and December 31, 2024. As of June 30, 2025, the total limit amount of committed payment guarantee is ₩8,511,363 million (as of December 31, 2024, was ₩5,036,530 million) (see Note 18).

3.2 Capital Risk Management

The Company's objectives for managing capital are to safeguard the its ability to continue providing profits to shareholders and other stakeholders as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, less cash and cash equivalents. Total capital is calculated as 'equity,' as shown in the interim condensed separate statements of financial position, plus net debt.

The gearing ratio and debt-to-equity ratio as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Total borrowings (Note 14) (A)	₩ 11,978,387	₩ 7,962,258
Less: cash and cash equivalents (B)	(3,030,929)	(849,894)
Net debt (C=A+B)	8,947,458	7,112,364
Total liabilities (D)	15,400,481	11,923,730
Total equity (E)	15,493,441	15,717,080
Total capital (F=C+E)	₩ 24,440,899	₩ 22,829,444
Gearing ratio (C/F)	36.6%	31.2%
Debt-to-equity ratio (D/E)	99.4%	75.9%

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3.3 Fair Value Estimation

(1) The carrying amounts and fair values of financial instruments by category as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets (current):				
Cash and cash equivalents	₩ 3,030,929	(*)	₩ 849,894	(*)
Trade receivables	1,843,812	(*)	2,303,799	(*)
Other receivables (excluding deposits from financial institutions)	1,150,312	(*)	1,015,552	(*)
Financial assets (non-current):				
Trade receivables	137,854	(*)	148,296	(*)
Other receivables (excluding deposits from financial institutions)	51,359	(*)	85,222	(*)
Deposits from financial institutions	60,014	(*)	60,014	(*)
Other non-current financial assets (measured at fair value):				
Marketable financial assets	390	390	7,320	7,320
Non-marketable financial assets	608,238	608,238	625,029	625,029
Non-current derivative financial assets	28,734	28,734	31,141	31,141
Non-current derivative financial assets (currency forward)	83,307	83,307	118,088	118,088
Non-current derivative financial assets (currency swap)	4,008	4,008	252,187	252,187
Financial liabilities (current):				
Trade and other payables	1,613,767	(*)	2,624,860	(*)
Current borrowings (excluding lease liabilities)	749,402	(*)	124,911	(*)
Other current financial liabilities	53,857	(*)	43,107	(*)
Financial liabilities (non-current):				
Non-current borrowings (excluding lease liabilities)	11,183,395	12,458,027	7,775,529	8,336,700
Other non-current payables	2,329	(*)	2,329	(*)
Non-current derivative financial liabilities (currency swap)	365,867	365,867	-	-

(*) Fair values for these financial assets and liabilities are not disclosed above as their carrying amounts are a reasonable approximation of their fair values.

(2) Fair values for measurement and disclosure are determined based on the following method:

Fair values of financial liabilities (non-current) are calculated by discounting the expected cash outflows by yield from corporate bonds. These bonds are Korean won denominated with the bonds' credit ratings same as the Company (AA0). The applied discount rates as of June 30, 2025, and December 31, 2024, are as follows:

	June 30, 2025	December 31, 2024
Discount rate	2.63% – 4.00%	3.17% – 4.12%

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(3) Fair value hierarchy

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date (Level 1)
- All inputs other than quoted prices included in Level 1 that are observable (either directly, i.e., prices, or indirectly, i.e., derived from prices) for the asset or liability (Level 2)
- Unobservable inputs for the asset or liability (Level 3)

As of June 30, 2025, and December 31, 2024, the fair value hierarchy of financial instruments measured at fair value or for which fair value is disclosed is as follows (Korean won in millions):

June 30, 2025								
	Level 1		Level 2		Level 3		Total	
Financial assets/liabilities measured at fair value:								
Non-current derivative financial assets	₩	-	₩	-	₩	28,734	₩	28,734
Non-current derivative financial assets (currency forward)		-		83,307		-		83,307
Non-current derivative financial assets (currency swap)		-		4,008		-		4,008
Other non-current financial assets (marketable financial assets)		390		-		-		390
Other non-current financial assets (non-marketable financial assets)		-		-		608,238		608,238
Non-current derivative financial liabilities (currency swap)		-		365,867		-		365,867
Financial assets/liabilities not measured at fair value:								
Non-current borrowings (excluding lease liabilities)		-		12,458,027		-		12,458,027
December 31, 2024								
	Level 1		Level 2		Level 3		Total	
Financial assets/liabilities measured at fair value:								
Non-current derivative financial assets	₩	-	₩	-	₩	31,141	₩	31,141
Non-current derivative financial assets (currency forward)		-		118,088		-		118,088
Non-current derivative financial assets (currency swap)		-		252,187		-		252,187
Other non-current financial assets (marketable financial assets)		7,320		-		-		7,320
Other non-current financial assets (non-marketable financial assets)		-		-		625,029		625,029
Financial assets/liabilities not measured at fair value:								
Non-current borrowings (excluding lease liabilities)		-		8,336,700		-		8,336,700

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of interim condensed separate financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Company's accounting policies. 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 may differ from the related actual results.

The significant estimates and assumptions made by management on the application of the Company's interim condensed separate financial statements are the same as those of the annual separate financial statements as of and for the year ended December 31, 2024, except for estimates used in determining income tax expenses.

The following are management's estimates and assumptions for its judgements regarding significant risks that may result in adjustments to the carrying amounts of assets and liabilities in the next fiscal year:

(1) Income taxes

If a certain portion of the taxable income is not used for investments, increases in wages or dividends, the Company is liable to pay additional income tax calculated based on tax laws. Accordingly, the measurement of current and deferred income taxes is affected by these tax effects. As the Company's income tax is dependent on investments, increase in wages and dividends, there is uncertainty in measuring the final tax effects.

(2) Provisions

The Company recognizes provisions for product warranties as explained in Note 15. These provisions are estimated based on the average warranty period, revenue and historical claim experience rate. Provisions related to voluntary recalls by the Company's customers are estimated based on the number of vehicles subject to recall, estimated total repair cost and cost-sharing ratio.

(3) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at June 30, 2025 (see Note 3.3).

(4) Impairment of financial assets

The provision for impairment of financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs for the impairment calculation based on its past experience and existing market conditions, as well as forward-looking estimates at the end of each reporting period (see Note 3.1.(2)).

(5) Net defined benefit liability (asset)

The present value of the net defined benefit liability (asset) depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate (see Note 16).

(6) Lease

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty 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.

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5. FINANCIAL INSTRUMENTS BY CATEGORY:

(1) Categorizations of financial instruments are as follows (Korean won in millions):

Financial assets	June 30, 2025			
	Financial assets at amortized cost	Financial assets at FVPL	Financial assets at FVOCI (*1)	Total
Cash and cash equivalents	₩ 3,030,929	₩ -	₩ -	₩ 3,030,929
Trade receivables	1,843,812	-	-	1,843,812
Non-current trade receivables	137,854	-	-	137,854
Other receivables	1,150,312	-	-	1,150,312
Other non-current receivables	111,373	-	-	111,373
Other non-current financial assets	-	646,256	78,421	724,677
	<u>₩ 6,274,280</u>	<u>₩ 646,256</u>	<u>₩ 78,421</u>	<u>₩ 6,998,957</u>

Financial liabilities	June 30, 2025		
	Financial liabilities at amortized cost	Other financial liabilities (*2)	Total
Trade payables	₩ 736,812	₩ -	₩ 736,812
Other payables	876,955	-	876,955
Other non-current payables	2,329	-	2,329
Current borrowings	749,402	24,212	773,614
Non-current borrowings	11,183,395	21,378	11,204,773
Other current financial liabilities	53,857	-	53,857
Other non-current financial liabilities	-	365,867	365,867
	<u>₩ 13,602,750</u>	<u>₩ 411,457</u>	<u>₩ 14,014,207</u>

Financial assets	December 31, 2024			
	Financial assets at amortized cost	Financial assets at FVPL	Financial assets at FVOCI (*1)	Total
Cash and cash equivalents	₩ 849,894	₩ -	₩ -	₩ 849,894
Trade receivables	2,303,799	-	-	2,303,799
Non-current trade receivables	148,296	-	-	148,296
Other receivables	1,015,552	-	-	1,015,552
Other non-current receivables	145,236	-	-	145,236
Other non-current financial assets	-	942,453	91,312	1,033,765
	<u>₩ 4,462,777</u>	<u>₩ 942,453</u>	<u>₩ 91,312</u>	<u>₩ 5,496,542</u>

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Financial liabilities	December 31, 2024		
	Financial liabilities at amortized cost	Other financial liabilities (*2)	Total
Trade payables	₩ 1,114,929	₩ -	₩ 1,114,929
Other payables	1,509,931	-	1,509,931
Other non-current payables	2,329	-	2,329
Current borrowings	124,911	33,039	157,950
Non-current borrowings	7,775,529	28,779	7,804,308
Other current financial liabilities	43,107	-	43,107
	<u>₩ 10,570,736</u>	<u>₩ 61,818</u>	<u>₩ 10,632,554</u>

(*1) At initial recognition, the Company made an irrevocable election to designate investments in equity instruments as at FVOCI. These instruments are held for strategic purposes, not for short-term trading.

(*2) Other financial liabilities include lease liabilities and derivative liabilities.

(2) Net gain (loss) on each category of financial instruments for the three-month and six-month periods ended June 30, 2025 and 2024, is as follows (Korean won in millions):

	June 30, 2025		June 30, 2024	
	Three months	Six months	Three months	Six months
Interest income:				
Financial assets at amortized cost	₩ 26,462	₩ 38,411	₩ 18,170	₩ 36,281
Financial assets at FVPL	3,843	16,822	-	-
Interest expense:				
Financial liabilities at amortized cost	(125,201)	(219,445)	(57,009)	(105,596)
Other financial liabilities	(423)	(936)	(645)	(1,090)
Gain or loss on valuation/disposal:				
Financial assets at FVPL	-	-	226	226
Financial assets at FVOCI	(7,533)	(10,154)	213	1,650
Derivative instruments (*)	(698,115)	(648,827)	75,785	190,648
Exchange differences:				
Financial assets at amortized cost	(221,070)	(233,801)	101,738	252,362
Financial liabilities at amortized cost	686,021	701,855	(113,260)	(271,534)
Financial assets at FVPL	(38,834)	(39,730)	3,033	6,972

(*) Changes in fair value are recognized in profit or loss or in other comprehensive income.

(3) Supplier financing arrangements

Supplier financing arrangements involve one or more financial institutions providing amounts that the Company is obligated to pay to the supplier. The Company then reimburses the financial institutions according to the terms of the arrangement after the supplier has received the payment. These arrangements typically provide the Company with an extended payment term beyond the supplier's payment due date or allow the supplier to receive payment earlier than expected.

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As of June 30, 2025, and December 31, 2024, the Company has entered into the following supplier financing arrangements (Korean won in millions):

Classification	Line item	June 30, 2025	December 31, 2024	Index
Purchase card	Accounts payable	₩	- ₩	439,603 (*)

(*) Under the purchase card arrangement, the financial institution acquires the rights to specific receivables of the supplier. Although there is a change in payment terms due to this arrangement, since the terms of the liability have not materially changed, it was deemed appropriate to continue presenting the amounts related to accounts payable and other liabilities in the interim condensed separate financial statements. In the cash flow statement, the Company determined that it is not a party to the cash flows between the financial institution and the supplier, and since the substantive terms of the accounts payable have not changed, it was considered a regular payment for business transactions.

There were no significant business combinations or exchange rate differences affecting the supplier financing liabilities. The supplier financing liabilities are short-term, and their carrying amounts are considered to be a reasonable approximation of fair value.

6. CASH AND CASH EQUIVALENTS:

(1) Details of cash and cash equivalents as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Bank deposits and cash on hand	₩ 19,174	₩ 18,848
Cash equivalents	3,011,755	831,046
	<u>₩ 3,030,929</u>	<u>₩ 849,894</u>

(2) As of June 30, 2025, there are no cash and cash equivalents, subject to restriction on use.

7. TRADE AND OTHER RECEIVABLES:

(1) Trade and other receivables and their provisions for impairment as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025			December 31, 2024		
	Gross amount	Provision for impairment	Carrying amount	Gross amount	Provision for impairment	Carrying amount
Trade receivables	₩ 1,843,812	₩ -	₩ 1,843,812	₩ 2,303,799	₩ -	₩ 2,303,799
Non-current trade receivables	137,854	-	137,854	148,296	-	148,296
Other current receivables	1,150,312	-	1,150,312	1,015,552	-	1,015,552
Other non-current receivables	111,373	-	111,373	145,236	-	145,236
	<u>₩ 3,243,351</u>	<u>₩ -</u>	<u>₩ 3,243,351</u>	<u>₩ 3,612,883</u>	<u>₩ -</u>	<u>₩ 3,612,883</u>

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(2) Details of other receivables as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Current:		
Non-trade receivables	₩ 1,087,792	₩ 1,005,076
Accrued income	21,861	288
Guarantee deposits provided	<u>40,659</u>	<u>10,188</u>
	1,150,312	1,015,552
Non-current:		
Non-trade receivables	32,962	46,428
Due from financial institutions (*)	60,014	60,014
Loans	1,800	-
Guarantee deposits provided	<u>16,597</u>	<u>38,794</u>
	111,373	145,236
	<u>₩ 1,261,685</u>	<u>₩ 1,160,788</u>

(*) As of June 30, 2025, the amount due from financial institutions (non-current) are subject to withdrawal restrictions, which include ₩60,000 million for the agreement on the Win-Win Growth Cooperation and ₩14 million related to guarantee deposit for current account opening.

(3) The aging analysis of trade and other receivables as of June 30, 2025, and December 31, 2024, is as follows (Korean won in millions):

	<u>June 30, 2025</u>		<u>December 31, 2024</u>	
	<u>Trade receivables</u>	<u>Other receivables</u>	<u>Trade receivables</u>	<u>Other receivables</u>
Receivables not past due	₩ 1,863,216	₩ 1,254,370	₩ 2,266,156	₩ 1,155,713
Past due, but not impaired:				
Up to 3 months	102,935	7,315	184,894	5,060
Between 3-6 months	15,422	-	961	-
Over 6 months	<u>93</u>	<u>-</u>	<u>84</u>	<u>15</u>
	118,450	7,315	185,939	5,075
Impaired receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>₩ 1,981,666</u>	<u>₩ 1,261,685</u>	<u>₩ 2,452,095</u>	<u>₩ 1,160,788</u>

(4) For the six-month period ended June 30, 2025, and for the year ended December 31, 2024, there were no changes in the provisions.

(5) The fair values of trade receivables and other receivables as of June 30, 2025, and December 31, 2024, are not significantly different from their carrying amounts.

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024****8. OTHER FINANCIAL ASSETS AND LIABILITIES:**

(1) Details of other financial assets and liabilities as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Other financial assets:		
Financial assets at FVOCI	₩ 78,421	₩ 91,312
Financial assets at FVPL (*)	<u>646,256</u>	<u>942,453</u>
	<u>₩ 724,677</u>	<u>₩ 1,033,765</u>
Other financial liabilities:		
Financial guarantee contracts	₩ 53,857	₩ 43,107
Financial liabilities at FVPL	<u>365,867</u>	<u>-</u>
	<u>₩ 419,724</u>	<u>₩ 43,107</u>

(*) The financial assets include convertible bonds issued by Liontown Resources Ltd. The key terms of the investment agreement related to these convertible bonds are as follows:

- Date of issuance: July 4, 2024
- Issue amount: USD 250 million
- Conversion terms: The bonds are convertible at the holder's option from six months after the issue date until five days prior to the fifth anniversary of the issue date.

(2) Details of changes in equity securities included in other financial assets for the six-month period ended June 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	<u>2025</u>	<u>2024</u>
Beginning	₩ 91,312	₩ 90,494
Acquisitions/transfer	25	-
Disposal	(2,762)	-
Valuation gain (loss) (before income tax deduction) and other comprehensive income item	<u>(10,154)</u>	<u>818</u>
Ending	<u>₩ 78,421</u>	<u>₩ 91,312</u>

The Company has entered into a put option contract to secure investment capital for its equity securities held in Volta Energy Solutions S.a.r.l. The major terms of the agreement are as follows:

- Exercise date: From three years after the acceptance date (initial investment date, January 27, 2021) to the following three years.
- Exercise price: The amount contributed, less any dividends received from the date of contribution up to the exercise.
- Other term: The option cannot be exercised once Volta Energy Solutions S.a.r.l. is listed.

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024**

9. INVENTORIES:

(1) Details of inventories as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025			December 31, 2024		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Merchandise	₩ 126,573	₩ (5,335)	₩ 121,238	₩ 143,210	₩ (3,352)	₩ 139,858
Finished/semifinished products	765,219	(123,445)	641,774	778,801	(107,180)	671,621
Raw materials	209,893	(4,356)	205,537	286,014	(4,669)	281,345
Supplies	10,287	(7,961)	2,326	10,380	(3,510)	6,870
Materials in transit	42,299	-	42,299	128,984	-	128,984
	<u>₩ 1,154,271</u>	<u>₩ (141,097)</u>	<u>₩ 1,013,174</u>	<u>₩ 1,347,389</u>	<u>₩ (118,711)</u>	<u>₩ 1,228,678</u>

(2) The amounts of inventories expensed as cost of sales for the six-month periods ended June 30, 2025 and 2024, were ₩3,083,784 million and ₩2,847,381 million, respectively.

LG Energy Solution, Ltd.
Notes to the interim condensed separate financial statements
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10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:

(1) Changes in investments in subsidiaries and associates for the six-month period ended June 30, 2025, and for the year ended December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Beginning	₩ 13,449,510	₩ 10,118,763
Acquisitions	1,517,517	3,330,747
Ending	<u>₩ 14,967,027</u>	<u>₩ 13,449,510</u>

(2) Details of investments in subsidiaries and associates as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	Location	Percentage of ownership (%)		Carrying amount	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	China	100	100	₩ 1,138,401	₩ 1,138,401
LG Energy Solution Michigan Inc.	USA	100	100	5,771,552	4,993,186
LG Energy Solution Battery (Nanjing) Co., Ltd.	China	100	100	323,438	323,438
LG Energy Solution Wroclaw sp. z o.o.	Poland	100	100	2,299,898	2,299,898
LG Energy Solution Australia Pty Ltd.	Australia	100	100	429	429
LG Energy Solution Technology (Nanjing) Co., Ltd.	China	100	100	788,171	788,171
LG Energy Solution Europe GmbH	Germany	100	100	34,729	34,729
LG Energy Solution (Taiwan) Ltd.	Taiwan	100	100	1,871	1,871
Areum noori Co., Ltd.	Korea	100	100	500	500
LG Energy Solution Fund I LLC	USA	100	100	50,466	49,605
LG Energy Solution Vertech Inc.	USA	100	100	16,168	16,168
LG Energy Solution Arizona, Inc.	USA	100	100	268,725	268,725
Baterias De Castilla S.L.	Spain	100	100	4	4
L-H Battery Company, Inc.	USA	51	51	2,469,304	1,764,828
LG Energy Solution India Private Limited	India	100	100	563	563
LG Energy Solution Arizona ESS, Inc.	USA	100	100	102,735	102,735
NextStar Energy Inc.	Canada	51	51	1,342,085	1,342,085
LG Energy Solution Fund II LLC	USA	100	100	60,617	44,513
LG Energy Solution Japan Co., Ltd.	Japan	100	100	535	535
PT. HLI Green Power	Indonesia	50	50	209,133	209,133
LG Energy Solution China, Co., Ltd. (*1)	China	100	-	14,174	-
				14,893,498	13,379,517
Associates:					
Sama Aluminium Co., Ltd.	Korea	10.2	10.2	46,575	46,575
Nexpo Co., Ltd.	Korea	19.0	19.0	6,649	4,274
Bricks Capital Management Global Battery Private Equity Fund I	Korea	59.9	59.9	19,405	19,144
Jeju Bukchon BESS Power Plant Co., Ltd. (*2)	Korea	10.0	-	900	-
				73,529	69,993
				₩ 14,967,027	₩ 13,449,510

(*1) During the current period, the Company newly acquired 100% shares in LG Energy Solution China, Co., Ltd. for ₩14,174 million.

(*2) During the current period, the Company newly acquired 10% of Jeju Bukchon BESS Power Plant Co., Ltd. for ₩900 million. Although the ownership is less than 20%, the Company has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement.

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

As of June 30, 2025, and December 31, 2024, and

For the three-month and six-month periods ended June 30, 2025 and 2024

11. PROPERTY, PLANT AND EQUIPMENT:

- (1) Changes in property, plant and equipment for the six-month period ended June 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	2025	2024
Beginning	₩ 4,059,252	₩ 3,383,740
Acquisition	564,226	1,377,274
Replacement	(181,046)	(252,631)
Disposal	(5,370)	(38,398)
Depreciation	(198,213)	(396,109)
Impairment	(4,012)	(14,624)
Ending	<u>₩ 4,234,837</u>	<u>₩ 4,059,252</u>

- (2) The current ending balances of property, plant and equipment include ₩1,146,626 million of construction in progress as of June 30, 2025, and some of it will subsequently be transferred to intangible assets (as of December 31, 2024, was ₩1,145,910 million).
- (3) The Company capitalized ₩19,628 million of borrowing costs in relation to acquisition of property, plant and equipment (for the six-month period ended June 30, 2024, was ₩14,060 million). The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 4.12% (for the six-month period ended June 30, 2024, was 4.13%).
- (4) Line items, including depreciation, in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Cost of sales	₩ 53,036	₩ 106,057	₩ 57,703	₩ 112,383
Selling and administrative expenses	46,421	92,156	37,662	73,688
	₩ 99,457	₩ 198,213	₩ 95,365	₩ 186,071

- (5) Lease

- 1) Amounts recognized in the interim condensed separate statements of financial position

Details of amounts recognized in the interim condensed separate statements of financial position in relation to leases for the six-month period ended June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Right-of-use assets (*):		
Buildings	₩ 34,233	₩ 47,511
Lands	207	243
Vehicles	7,840	10,316
	<u>₩ 42,280</u>	<u>₩ 58,070</u>

- (*) Included in 'property, plant and equipment' in the interim condensed separate statements of financial position.

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

As of June 30, 2025, and December 31, 2024, and

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Additions to the right-of-use assets for the six-month period ended June 30, 2025, are ₩2,175 million (for the six-month period ended June 30, 2024, were ₩32,299 million).

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Lease liabilities (*):		
Current	₩ 24,212	₩ 33,039
Non-current	<u>21,378</u>	<u>28,779</u>
	<u>₩ 45,590</u>	<u>₩ 61,818</u>

(*) Included in 'Borrowings' in the interim condensed separate statements of financial position.

2) Amounts recognized in the interim condensed separate statements of profit or loss

Details of amounts recognized in the interim condensed separate statements of profit or loss in relation to leases for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	<u>2025</u>		<u>2024</u>	
	<u>Three months</u>	<u>Six months</u>	<u>Three months</u>	<u>Six months</u>
Depreciation of right-of-use assets:				
Buildings	₩ 6,671	₩ 13,382	₩ 6,873	₩ 12,821
Land	17	35	69	136
Vehicles and others	<u>1,232</u>	<u>2,690</u>	<u>1,496</u>	<u>3,043</u>
	<u>₩ 7,920</u>	<u>₩ 16,107</u>	<u>₩ 8,438</u>	<u>₩ 16,000</u>
Interest expense relating to lease liabilities (included in finance cost)	₩ 423	₩ 936	₩ 645	₩ 1,090
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)	381	644	707	1,730
Expenses relating to leases of low-value assets that are not short-term leases (included in cost of goods sold and administrative expenses)	1,661	3,444	1,782	3,446

Total cash outflow for leases for the six-month period ended June 30, 2025, is ₩21,420 million (for the six-month period ended June 30, 2024, was ₩21,971 million).

12. INTANGIBLE ASSETS:

(1) Changes in intangible assets for the six-month period ended June 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	<u>2025</u>	<u>2024</u>
Beginning	₩ 918,174	₩ 712,217
Acquisition	66,127	113,267
Replacement	210,712	233,742
Disposal	(639)	(4,216)
Amortization	(97,327)	(136,836)
Impairment	(76)	-
Ending	<u>₩ 1,096,971</u>	<u>₩ 918,174</u>

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

As of June 30, 2025, and December 31, 2024, and

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(2) Line items, including amortization of intangibles in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Cost of sales	₩ 1,981	₩ 3,950	₩ 4,988	₩ 10,230
Selling and administrative expenses	47,037	93,377	27,641	53,676
	<u>₩ 49,018</u>	<u>₩ 97,327</u>	<u>₩ 32,629</u>	<u>₩ 63,906</u>

(3) Greenhouse gas emission right

1) The amount of allocated greenhouse gas emission rights for the domestic third plan period (2021-2025) is as follows (tons in thousands):

	2021	2022	2023	2024	2025
Allocated emission rights	281	332 (*1)	360 (*2)	419 (*3)	297

(*1) An additional 32,000 tons have been allocated due to the expansion of the workplace discharge facility in addition to the initial free 300,000 tons amount of allocated greenhouse gas emission rights.

(*2) An additional 60,000 tons have been allocated as the emissions were confirmed for 2023.

(*3) An additional 122,000 tons have been allocated as the emissions were confirmed for 2024.

2) Changes in greenhouse gas emission right included in intangible assets for the six-month period ended June 30, 2025, and for the year ended December 31, 2024, are as follows (ton in thousands and Korean won in millions):

	2025			
	2024		2025	
	Ton	Amount	Ton	Amount
Beginning/Allocated	419	₩ -	297	₩ -
Purchase/Sale	-	-	-	-
Borrowing/Carried over	-	-	-	-
Government submission	-	-	-	-
Ending	<u>419</u>	<u>₩ -</u>	<u>297</u>	<u>₩ -</u>

	2024					
	2023		2024		2025	
	Ton	Amount	Ton	Amount	Ton	Amount
Beginning/Allocated	360	₩ -	297	₩ -	297	₩ -
Purchase/Sale	7	171	-	-	-	-
Borrowing/Carried over	-	-	-	-	-	-
Government submission	(367)	(171)	-	-	-	-
Ending	<u>-</u>	<u>₩ -</u>	<u>297</u>	<u>₩ -</u>	<u>297</u>	<u>₩ -</u>

LG Energy Solution, Ltd.

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13. OTHER CURRENT AND NON-CURRENT ASSETS:

Details of other current and non-current assets as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

		<u>June 30, 2025</u>	<u>December 31, 2024</u>
Current:			
Prepayments	₩	2,593	₩ 3,407
Prepaid expenses		47,760	45,023
Prepaid value-added taxes		17,717	55,284
Others		<u>91,512</u>	<u>81,670</u>
	₩	<u>159,582</u>	<u>₩ 185,384</u>
Non-current:			
Long-term prepayments	₩	1,225	₩ 938
Long-term prepaid expenses		11,200	9,852
Net defined benefit assets		<u>105,631</u>	<u>142,734</u>
	₩	<u>118,056</u>	<u>₩ 153,524</u>

14. BORROWINGS:

(1) Borrowings as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

		<u>June 30, 2025</u>	<u>December 31, 2024</u>
Current:			
Current portion of debentures	₩	749,402	₩ 124,911
Current lease liabilities		<u>24,212</u>	<u>33,039</u>
	₩	<u>773,614</u>	<u>₩ 157,950</u>
Non-current:			
Long-term borrowings	₩	269,633	₩ -
Debentures		10,913,762	7,775,529
Non-current lease liabilities		<u>21,378</u>	<u>28,779</u>
		<u>11,204,773</u>	<u>7,804,308</u>
	₩	<u>11,978,387</u>	<u>₩ 7,962,258</u>

(2) Details of borrowings as of June 30, 2025, and December 31, 2024, are as follows:

1) Long-term borrowings (Korean won in millions)

		<u>June 30, 2025</u>					
	<u>Bank</u>	<u>Interest rate (%)</u>	<u>Latest maturity date</u>		<u>Amount</u>	<u>Current portion</u>	<u>Non-current portion</u>
Borrowings in local currencies	Korea Exim Bank	3M market yield on Supply Chain Resilience Fund + 0.34	2029.07.02	₩	269,633	₩ -	₩ 269,633
		<u>December 31, 2024</u>					
	<u>Bank</u>	<u>Interest rate (%)</u>	<u>Latest maturity date</u>		<u>Amount</u>	<u>Current portion</u>	<u>Non-current portion</u>
Borrowings in local currencies	-	-	-	₩	-	₩ -	₩ -

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2) Debentures (USD in thousands and Korean won in millions)

June 30, 2025								
	Financial institution	Interest rate (%)	Latest maturity date	Amount	Current portion	Non-current portion		
1 st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	2026.03.13	₩ 200,000	₩ 200,000	₩ -		
2-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	2026.06.29	370,000	370,000	-		
2-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	2028.06.29	505,000	-	505,000		
3-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	2026.02.16	180,000	180,000	-		
3-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	2027.02.16	660,000	-	660,000		
3-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	2029.02.16	570,000	-	570,000		
3-4 th Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.202	2031.02.16	190,000	-	190,000		
4-1 st Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.138	2027.02.14	640,000	-	640,000		
4-2 nd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.228	2028.02.14	590,000	-	590,000		
4-3 rd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.247	2030.02.14	310,000	-	310,000		
4-4 th Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.406	2032.02.14	60,000	-	60,000		
USD foreign currency debenture (non-guaranteed)	Citibank and others	3.625	2029.04.15	678,200 (USD 500,000)	-	678,200		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.625	2026.09.25	542,560 (USD 400,000)	-	542,560		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.750	2028.09.25	813,840 (USD 600,000)	-	813,840		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	2027.07.02	949,480 (USD 700,000)	-	949,480		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	2029.07.02	1,085,120 (USD 800,000)	-	1,085,120		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.500	2034.07.02	678,200 (USD 500,000)	-	678,200		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.250	2028.04.02	542,560 (USD 400,000)	-	542,560		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	2030.04.02	813,840 (USD 600,000)	-	813,840		
USD foreign currency debenture (non-guaranteed)	Citibank and others	3M Compound SOFR + 1.700	2030.04.02	406,920 (USD 300,000)	-	406,920		
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.875	2035.04.02	949,480 (USD 700,000)	-	949,480		
Less: discount on debentures	-	-	=	(72,036)	(598)	(71,438)		
				₩ 11,663,164	₩ 749,402	₩ 10,913,762		

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		December 31, 2024					
	Financial institution	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion	
1 st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	2026.03.13	₩ 200,000	₩ -	₩ 200,000	
2-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.097	2025.06.29	125,000	125,000	-	
2-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	2026.06.29	370,000	-	370,000	
2-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	2028.06.29	505,000	-	505,000	
3-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	2026.02.16	180,000	-	180,000	
3-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	2027.02.16	660,000	-	660,000	
3-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	2029.02.16	570,000	-	570,000	
3-4 th Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.202	2031.02.16	190,000	-	190,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	3.625	2029.04.15	735,000 (USD 500,000)	-	735,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.625	2026.09.25	588,000 (USD 400,000)	-	588,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.750	2028.09.25	882,000 (USD 600,000)	-	882,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	2027.07.02	1,029,000 (USD 700,000)	-	1,029,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	2029.07.02	1,176,000 (USD 800,000)	-	1,176,000	
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.500	2034.07.02	735,000 (USD 500,000)	-	735,000	
Less: discount on debentures		-	-	(44,560)	(89)	(44,471)	
				₩ 7,900,440	₩ 124,911	₩ 7,775,529	

The Company has entered into debenture agreements stipulating that a loss of benefit of term will occur if the agreed ratio under the covenant is not maintained based on the reporting for each quarter, half-year or full fiscal year. As of the end of the current period, the relevant amount is ₩4.3 trillion, and the covenant ratios have been complied with.

3) Lease liabilities (Korean won in millions)

		June 30, 2025				
	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion	
Baeksan industry and others	2.21–4.20	2039.02.28	₩ 45,590	₩ 24,212	₩ 21,378	

		December 31, 2024				
	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion	
Baeksan industry and others	2.21–4.20	2039.02.28	₩ 61,818	₩ 33,039	₩ 28,779	

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15. PROVISIONS:

Changes in provisions for the six-month period ended June 30, 2025, and for the year ended December 31, 2024, are as follows (Korean won in millions):

June 30, 2025					
	Warranty (*1)	Greenhouse gas emission (*2)	Other provisions (*3)	Total	
Beginning	₩ 699,865	₩ 74	₩ 118,070	₩ 818,009	
Provision transfer	105,961	64	(7,979)	98,046	
Used	(132,558)	-	-	(132,558)	
Ending	673,268	138	110,091	783,497	
Less: current portion	(503,821)	(138)	(103,204)	(607,163)	
	₩ 169,447	₩ -	₩ 6,887	₩ 176,334	

December 31, 2024					
	Warranty (*1)	Greenhouse gas emission (*2)	Other provisions (*3)	Total	
Beginning	₩ 423,920	₩ 195	₩ 102,890	₩ 527,005	
Provision transfer	745,611	50	24,357	770,018	
Used	(469,666)	(171)	(9,177)	(479,014)	
Ending	699,865	74	118,070	818,009	
Less: current portion	(559,600)	(74)	(111,316)	(670,990)	
	₩ 140,265	₩ -	₩ 6,754	₩ 147,019	

(*1) Warranty provisions have been accrued for the estimated warranty costs to be incurred due to quality control, exchanges and refunds with regard to products based on historical experience. In addition, provisions related to replacement costs due to ESS replacement cost and voluntary automotive battery recalls are included. The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(*2) In relation to greenhouse gas emissions, the Company estimates the expected future costs of emissions exceeding the Company's emission rights for the year and recognizes them as provisions. Estimated emissions are 184 thousand tons for the six-month period ended June 30, 2025 (for the year ended December 31, 2024, were 305 thousand tons).

(*3) In addition to provisions for warranties and greenhouse gases, the Company has reasonably estimated the probable amount of resource outflow embodying economic benefits as a present obligation resulting from past events and recognized it.

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16. NET DEFINED BENEFIT LIABILITIES (ASSETS):

(1) Details of net defined benefit liabilities (assets) recognized in the interim condensed separate statements of financial position as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Present value of defined benefit liabilities (*1)	₩ 688,093	₩ 665,108
Fair value of plan assets	(793,724)	(807,842)
Net defined benefit assets (*2)	₩ (105,631)	₩ (142,734)

(*1) The present value of defined benefit obligations is the amount after deducting the contributions to the National Pension Plan of ₩25 million as of June 30, 2025 (as of December 31, 2024, was ₩26 million).

(*2) The ₩105,631 million of net defined benefit assets is included in the 'Other non-current assets' as of June 30, 2025 (as of December 31, 2024, was ₩142,734 million).

(2) The amounts recognized in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Current service cost	₩ 22,663	₩ 45,326	₩ 23,365	₩ 46,730
Interest cost	(1,463)	(2,926)	(1,813)	(3,626)
	₩ 21,200	₩ 42,400	₩ 21,552	₩ 43,104

(3) Retirement benefits recognized for defined contribution plan for the six-month period ended June 30, 2025, amounted to ₩1,462 million (for the six-month period ended June 30, 2024, amounted to ₩1,207 million).

(4) Retirement benefits recognized in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Cost of sales	₩ 7,687	₩ 15,729	₩ 9,948	₩ 20,250
Selling and administrative expenses	14,186	28,133	12,073	24,061
	₩ 21,873	₩ 43,862	₩ 22,021	₩ 44,311

(5) Changes in the present value of defined benefit obligations for the six-month period ended June 30, 2025, and for the year ended December 31, 2024, are as follows (Korean won in millions):

	2025	2024
Beginning	₩ 665,108	₩ 671,375
Transfer in	493	2,475
Transfer out	(986)	(1,572)
Current service cost	45,326	93,460
Interest expense	13,399	31,080
Remeasurements:		
Actuarial loss from change in financial assumption	-	(69,888)
Actuarial loss from change in demographic assumption	-	1,906
Actuarial gain due to difference between the estimated and the actual	-	(3,502)
Others	-	-
Payments from plans	(35,247)	(60,226)
Ending	₩ 688,093	₩ 665,108

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- (6) Changes in the fair value of plan assets for the six-month period ended June 30, 2025, and for the year ended December 31, 2024, are as follows (Korean won in millions):

	2025		2024
Beginning	₩ 807,842	₩	827,884
Transfer out	(107)		(760)
Interest income	16,325		38,332
Remeasurements:			
Return on plan assets	1,030		(4,941)
(excluding amounts included in interest income)			
Contribution:			
Employer contribution to plan assets	-		-
Payments from plans	(30,616)		(51,058)
Administrative costs	(750)		(1,615)
Ending	<u>₩ 793,724</u>	₩	<u>807,842</u>

- (7) The actual return on plan assets for the six-month period ended June 30, 2025, was ₩17,355 million (for the six-month period ended June 30, 2024, was ₩18,310 million).

- (8) The significant actuarial assumptions as of June 30, 2025, and December 31, 2024, are as follows:

	June 30, 2025	December 31, 2024
Discount rate	4.10%	4.10%
Salary growth rate	3.96%	3.96%

- (9) The sensitivity analysis for changes in key actuarial assumptions as of June 30, 2025, is as follows (Korean won in millions):

	Increase by 1.0%	Decrease by 1.0%
Discount rate:		
(Decrease) increase in defined benefit liabilities	₩ (77,651)	₩ 92,486
Salary growth rate:		
Increase (decrease) in defined benefit liabilities	95,659	(81,355)

A decrease in corporate bond yields may lead most significantly to an increase in defined benefit liabilities.

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

The methods and assumptions used for the sensitivity analysis are the same as those of previous period.

- (10) Plan assets as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025		December 31, 2024	
	Amount	Composition (%)	Amount	Composition (%)
Insurance contracts with guaranteed yield	₩ 793,724	100	₩ 807,842	100

Plan assets consist of guaranteed debt instruments and others that have no quoted market prices in an active market.

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Details of other current and non-current liabilities as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Current:		
Advances from customers	₩ 65,600	₩ 48,911
Withholdings	6,950	39,276
Unearned revenues	296,388	262,616
Accrued expenses and others	192,570	64,763
	<u>₩ 561,508</u>	<u>₩ 415,566</u>
Non-current:		
Long-term employee benefits	₩ 35,574	₩ 34,494
Long-term unearned revenues	1,572	1,625
Long-term advance received	4,123	21,482
	<u>₩ 41,269</u>	<u>₩ 57,601</u>

18. COMMITMENTS AND CONTINGENCIES:

- (1) The Company is jointly liable with LG Chem, Ltd. for liabilities recognized before the split-off date.
- (2) As of June 30, 2025, the Company has been guaranteed by Seoul Guarantee Insurance Company for the execution of contracts and others.
- (3) As of June 30, 2025, the Company has various specific lines of credit agreements with several financial institutions as follows (Korean won in millions and USD in millions):

	Currency	Amount
Limit of letter of credit	USD	12
Limit of discount of notes from export	USD	771
Limit of guaranteed payments in other foreign currency	USD	375
Derivatives	USD	2,605
	KRW	400,000
Business-to-business purchase arrangements	KRW	125,000
General loan agreements	KRW	600,000
Bond transfer transaction	KRW	100,000

- (4) The Company has entered into payment guarantee contracts of USD 30 million and EUR 5 million with financial institutions in relation to product warranty for certain installed products.
- (5) The Company provides performance guarantees of USD 24,477 million, EUR 1 million, CAD 1,110 million and others for subsidiaries.

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- (6) The Company has been sued and related in five class actions by consumers in relation to the sales of mobile batteries and GM Bolt EV, and actions are still in process as of June 30, 2025. The Company also has filed two lawsuit cases (amounted to USD 90 million and ₩646 million) and been sued in other 38 other cases (amounted to USD 157 million and ₩2,006 million). The ultimate outcome of these pending cases cannot be determined at the reporting date.
- (7) The Company has entered into a license agreement with LG Corp. to use trademarks on the products that the Company manufactures and sells, and on the services it provides in relation to its business.
- (8) As of June 30, 2025, the Company has entered into a joint venture agreement with Honda and has committed to invest USD 1,802 million and has contributed USD 1,801 million as of June 30, 2025. Also, the Company has decided to provide a payment guarantee of USD 510 million to the joint venture, determined by its proportionate ownership of the borrowed amount up to a maximum limit of USD 1,000 million. In addition, if one party defaults, the other party has the right to purchase shares from the other party.
- (9) As of June 30, 2025, the Company has entered into a joint venture agreement with Stellantis and has committed to invest USD 1,464 million and has contributed USD 1,020 million as of June 30, 2025. In addition, if one party defaults, the other party has the right to purchase shares from the other party. Also, the Company has decided to provide a payment guarantee of USD 686 million to the joint venture, determined by its proportionate ownership of the borrowed amount up to a maximum limit of USD 1,344 million.
- (10) As of June 30, 2025, the Company has entered into a joint venture agreement with HMG Global LLC and has committed to invest USD 1,108 million and has contributed USD 1,084 million as of June 30, 2025. After the expiration of the contract period, each party can sell its shares to third parties. In addition, if one party defaults, the other party has the right to purchase shares from the other party.
- (11) As of June 30, 2025, the Company has decided to contribute USD 1,106 million to LG Energy Solution Arizona, Inc. and has contributed USD 208 million as of June 30, 2025. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,106 million and lease-related payment obligation of USD 4,483 million.
- (12) As of June 30, 2025, the Company has decided to contribute USD 1,173 million to LG Energy Solution Arizona ESS, Inc. and has contributed USD 76 million as of June 30, 2025. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,173 million.
- (13) As of June 30, 2025, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,410 million to LG Energy Solution Michigan, Inc. Furthermore, the Company has decided to provide a guarantee up to USD 2,500 million in relation to the acquisition agreement for all asset of the third Ultium Cells LLC plant (Lansing), and the amount executed under this guarantee amounted to USD 928 million as of June 30, 2025.
- (14) Capital expenditure arrangements that have not been incurred as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	₩ 468,316	₩ 631,492

- (15) Investment commitments as of June 30, 2025, are as follows (Korean won and USD in millions):

	<u>Currency</u>	<u>Contractual amount</u>	<u>Total investments</u>	<u>Remaining amount</u>
BNZ (Beyond Net Zero) Fund	USD	75	50	25
Secondary Battery Growth Fund	KRW	6,700	4,677	-
KBE (Korea Battery ESG) Fund	KRW	75,000	61,891	13,109
BCM Global Battery Fund	KRW	30,000	19,405	10,595
Yonsei Technology Holdings IP Fund	KRW	3,000	2,040	960

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(16) As of June 30, 2025, and December 31, 2024, the details of the payment guarantee for the borrowings by the Company are as follows (Korean won in millions):

Guarantor	Guarantee beneficiary	Financial institution	Loan amount (*1)		Credit limit (*2)	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		EBRD	₩ 31,836	₩ 45,862	₩ 159,180	₩ 152,873
		SMBC	27,857	34,396	79,590	76,437
		DBS	159,180	152,873	159,180	152,873
		EIB	339,583	407,662	764,064	733,790
		EBRD	71,631	91,724	238,770	229,310
	LG Energy Solution	KDB Bank/	263,642	354,474	421,827	405,113
	Wroclaw sp. z o.o.	Korea Exim Bank				
		KDB Bank/				
		Korea Exim Bank/	875,490	840,802	875,490	840,802
		NH Bank				
	LG Energy Solution Ltd.	KDB Bank/	99,488	133,764	159,180	152,873
		Korea Exim Bank				
		KDB Bank/	49,744	66,882	79,590	76,437
		Korea Exim Bank				
		KDB Bank/	49,744	66,882	79,590	76,437
		Korea Exim Bank				
	LG Energy Solution Michigan Inc.	KDB Bank/	-	73,500	-	1,617,000
		and others				
	NextStar Energy Inc.	EDC, Citi and others	553,411	-	929,938	-
	L-H Battery Company, Inc.	MUFG	13,835	-	691,764	-
	PT. HLI					
	Green Power	ANZ and others	426,588	462,315	482,200	522,585
			₩ 2,962,029	₩ 2,731,136	₩ 5,120,363	₩ 5,036,530

(*1) The amounts represent borrowed amount as of June 30, 2025, and December 31, 2024.

(*2) The limits indicate the aggregate amount of payment guarantees.

In addition, the Company provides letter of comfort in relation to certain borrowings of subsidiaries.

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19. SHARE CAPITAL:

Changes in share capital and share premium for the six-month period ended June 30, 2025, are as follows (Korean won in millions and in shares):

	Ordinary shares		
	Number of shares	Share capital	Share premium
December 31, 2024	234,000,000	₩ 117,000	₩ 17,589,722
Changes	-	-	-
June 30, 2025	234,000,000	₩ 117,000	₩ 17,589,722

20. ACCUMULATED DEFICIT:

Details of accumulated deficit as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Undisposed accumulated deficit	₩ (2,160,992)	₩ (1,938,044)

21. OPERATING LOSSES:

(1) The major items encompassed in the calculation of operating losses for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Revenue	₩ 1,744,834	₩ 3,921,902	₩ 1,654,590	₩ 3,562,521
Cost of sales	<u>1,409,517</u>	<u>3,145,431</u>	<u>1,498,659</u>	<u>2,936,096</u>
Gross profit	335,317	776,471	155,931	626,425
Selling and administrative expenses:				
Wages and salaries	₩ 209,692	₩ 419,115	₩ 150,305	₩ 328,250
Retirement benefits	14,186	28,133	12,073	24,061
Employee benefits	50,295	100,138	48,255	90,275
Travel expenses	20,326	35,168	14,924	26,778
Water and utilities	23,580	47,730	18,336	38,037
Rental expenses	10,457	21,615	11,418	24,201
Commission expenses	(32,855)	129,922	212,687	383,038
Depreciation	47,818	95,139	39,167	76,674
Advertising expenses	4,979	9,127	5,570	9,934
Freight expenses	3,367	19,671	5,601	7,585
Training expenses	3,237	7,025	6,734	13,364
Amortization	47,037	93,377	27,641	53,676
Sample expenses	(131)	827	915	2,648
Development costs	66,706	121,433	49,535	103,778
Addition to warranty provisions	45,508	105,961	126,379	248,462
Others	<u>34,459</u>	<u>69,468</u>	<u>52,767</u>	<u>94,026</u>
	548,661	1,303,849	782,307	1,524,787
Operating losses	<u>₩ (213,344)</u>	<u>₩ (527,378)</u>	<u>₩ (626,376)</u>	<u>₩ (898,362)</u>

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(2) Sales for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Sales recognized at a point in time	₩ 1,390,907	₩ 3,172,595	₩ 1,419,835	₩ 3,074,721
Sales recognized over time	353,927	749,307	234,755	487,800
	<u>₩ 1,744,834</u>	<u>₩ 3,921,902</u>	<u>₩ 1,654,590</u>	<u>₩ 3,562,521</u>

22. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses by nature for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Changes in inventories of merchandise, finished goods, semifinished goods and work in process	₩ 44,262	₩ 48,468	₩ 20,151	₩ 31,961
Raw materials and consumables used and others	790,755	1,809,752	1,019,929	1,930,950
Purchase of merchandise	160,811	351,557	142,121	302,570
Employee benefit expenses	377,727	751,109	325,579	682,043
Advertising expenses	4,992	9,142	5,584	9,948
Freight expenses	3,927	22,038	5,929	8,156
Commission (reversal) expenses	(14,964)	166,731	238,817	437,811
Depreciation and amortization	149,873	298,523	129,499	252,963
Rent expenses and usage fee	2,826	4,913	2,436	5,299
Transfers to provisions for service warranties	45,508	105,961	126,379	248,462
Other expenses	392,461	881,086	264,542	550,720
	<u>₩ 1,958,178</u>	<u>₩ 4,449,280</u>	<u>₩ 2,280,966</u>	<u>₩ 4,460,883</u>

23. EMPLOYEE BENEFIT EXPENSES:

Details of employee benefit expenses for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Wages and salaries	₩ 308,864	₩ 615,248	₩ 253,597	₩ 547,986
Retirement benefits: Defined benefit plan	21,200	42,400	21,552	43,104
Retirement benefits: Defined contribution plan	673	1,462	469	1,207
Others	46,990	91,999	49,961	89,746
	<u>₩ 377,727</u>	<u>₩ 751,109</u>	<u>₩ 325,579</u>	<u>₩ 682,043</u>

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24. FINANCE INCOME AND COSTS:

Details of finance income and costs for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Finance income:				
Interest income (*1)	₩ 30,305	₩ 55,233	₩ 18,170	₩ 36,281
Exchange differences	641,169	732,197	83,912	146,015
Gain on derivative instruments	(50,225)	-	74,928	189,411
Gain on disposal of financial assets at FVPL	-	-	226	226
	<u>₩ 621,249</u>	<u>₩ 787,430</u>	<u>₩ 177,236</u>	<u>₩ 371,933</u>
Finance costs:				
Interest expense (*2)	₩ 116,722	₩ 200,754	₩ 50,096	₩ 92,627
Exchange differences	80,436	167,822	138,773	288,953
Loss on derivative instruments	647,890	648,827	-	-
	<u>₩ 845,048</u>	<u>₩ 1,017,403</u>	<u>₩ 188,869</u>	<u>₩ 381,580</u>

(*1) Details of interest income for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Cash and cash equivalents and others	₩ 24,803	₩ 34,957	₩ 16,484	₩ 32,874
Financial assets at FVPL	3,843	16,822	-	-
Other loans and receivables	1,659	3,454	1,686	3,407
	<u>₩ 30,305</u>	<u>₩ 55,233</u>	<u>₩ 18,170</u>	<u>₩ 36,281</u>

(*2) Details of interest expense for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Interest on lease liabilities	₩ 423	₩ 936	₩ 645	₩ 1,090
Interest on debentures	124,625	212,699	57,009	105,596
Other interest expenses	576	6,747	-	-
Capitalized interest for qualifying assets	(8,902)	(19,628)	(7,558)	(14,059)
	<u>₩ 116,722</u>	<u>₩ 200,754</u>	<u>₩ 50,096</u>	<u>₩ 92,627</u>

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024****25. OTHER NON-OPERATING INCOME:**

Details of other non-operating income for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Exchange differences	₩ 80,848	₩ 134,320	₩ 90,061	₩ 233,737
Gain on disposal of property, plant and equipment	40	124	176	296
Dividend income	567,958	584,069	150	530,670
Others	21,614	41,209	7,638	14,685
	<u>₩ 670,460</u>	<u>₩ 759,722</u>	<u>₩ 98,025</u>	<u>₩ 779,388</u>

26. OTHER NON-OPERATING EXPENSES:

Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Exchange differences	₩ 215,466	₩ 270,371	₩ 43,689	₩ 103,000
Loss on disposal of property, plant and equipment	12,022	12,530	11,320	12,337
Impairment of property, plant and equipment	-	4,013	7,305	7,305
Loss on disposal of intangible assets	-	10	152	154
Impairment of intangible asset	17	76	-	-
Donations	40	64	5,544	5,564
Others	1,213	2,750	10	92
	<u>₩ 228,758</u>	<u>₩ 289,814</u>	<u>₩ 68,020</u>	<u>₩ 128,452</u>

27. INCOME TAX EXPENSE:

Income tax expense was recognized based on the best estimate of the weighted-average annual income tax rate for the entire fiscal year.

28. EARNINGS(LOSSES) PER SHARE:

Basic earnings per share are calculated by dividing the earnings attributable to ordinary shares by weighted-average number of shares issued.

(1) Basic earnings per ordinary share for the three-month and six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Profits (losses) attributable to ordinary shares	₩ 11,352	₩ (216,574)	₩ (644,945)	₩ (250,497)
Weighted-average number of ordinary shares outstanding	<u>234,000,000</u>	<u>234,000,000</u>	<u>234,000,000</u>	<u>234,000,000</u>
Basic earnings per ordinary share (in Korean won)	<u>₩ 49</u>	<u>₩ (926)</u>	<u>₩ (2,757)</u>	<u>₩ (1,071)</u>

(2) The Company has not issued any potential ordinary shares. Therefore, basic earnings per share are identical to diluted earnings per share.

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024****29. RELATED-PARTY TRANSACTIONS:**

- (1) As of June 30, 2025, the parent company is LG Chem, Ltd. (percentage of ownership: 81.84%), over which LG Corp. exercises a significant influence.
- (2) Details of related parties and others that have sales and other transactions with the Company or have receivable and payable balances, other than separate subsidiaries, associates and joint ventures (see Note 10), as of June 30, 2025, are as follows:

Related party	Related party's subsidiary (domestic)	Related party's subsidiary (overseas)	Details
LG Chem, Ltd.	HAENGBOKNURI CO., LTD. and others	LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd. and others	Subsidiary of LG Chem, Ltd.
D&O Co., Ltd.	D&O CM, Ltd. and others	D&O CM NANJING and others	
LG CNS Co., Ltd.	Biz Tech I Co., Ltd. and others	LG CNS America Inc. and others	Subsidiary of LG Corp.
LG Management Development Institute			
LG Display, Inc.	NANUMNURI CO., LTD.	LG Display (China) Co., Ltd. and others	LG Enterprise group (*1)
LG Electronics, Inc.	LG Innotek Co., Ltd. and others	LG Electronics Philippines, Inc. and others	
LG Household & Health Care Ltd.	Coca-Cola Beverage Co. and others	LG Household & Health Care Trading (Shanghai) CO., LTD. and others	
LG Uplus Corp.	LG HelloVision Corp. and others	LG UPLUS FUND I LLC and others	
HS AD Inc.		GIIR America Inc. and others	
Mintech Co., Ltd. (*2)			

(*1) Although these entities are not the related parties of the Company in accordance with K-IFRS 1024, these entities belong to a large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

(*2) Although the Company holds less than 20% of the shares in the form of redeemable convertible preference shares, it has significant influence as it holds the right to appoint directors. Meanwhile, the Company classifies it as financial assets at fair value through profit or loss ("FVPL"), taking into account the nature of the shares held and K-IFRS 1109.

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(3) Transactions with related parties for the six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025				
	Sales and others(*)	Purchase and others			
		Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Interest expense	Others
Parent:					
LG Chem, Ltd.	₩ 15,364	₩ 19,797	₩ -	₩ 5	₩ 1,089
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	656,216	858,226	363	-	339
LG Energy Solution Michigan, Inc.	106,433	75	-	-	7,539
LG Energy Solution Battery (Nanjing) Co., Ltd.	70,801	242,857	-	-	1,157
LG Energy Solution Wroclaw sp. z o.o.	529,390	-	-	-	-
LG Energy Solution Australia Pty Ltd.	2	-	-	-	13,225
LG Energy Solution Technology (Nanjing) Co., Ltd.	60,913	589,636	-	-	70
Ultium Cells LLC	351,734	-	-	-	-
LG Energy Solution Europe GmbH	6,167	-	-	-	22,046
LG Energy Solution (Taiwan), Ltd.	369	-	-	-	990
Areumnoori Co., Ltd.	1,907	-	-	-	5,967
LG Energy Solution Vertech Inc.	28,259	-	-	-	(158,135)
LG Energy Solution Arizona, Inc.	-	-	-	-	3,815
L-H Battery Company, Inc.	8,814	479	-	-	-
LG Energy Solution India Private Ltd.	4,456	-	-	-	2,080
LG Energy Solution Japan Co., Ltd.	-	-	-	-	1,335
HL-GA BATTERY COMPANY LLC	1,807	-	-	-	-
PT. HLI Green Power	19,022	15	27	-	3,452
NextStar Energy Inc.	7,704	9	-	-	4
Associates:					
Sama Aluminium	-	656	-	-	-
Mintech Co., Ltd.	-	-	195	-	-
Nexpo Co., Ltd.	-	26	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	17,816
HAENGBOKNURI CO., LTD.	2	-	-	-	392
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	10,899	-	-	-
LG HY BCM Co., Ltd.	-	908	-	-	61
TECWIN Co., Ltd.	-	-	16,495	-	47
LG Management Development Institute	-	-	-	-	12,409
D&O Co., Ltd. and its subsidiaries	44	-	3,300	-	2,497
LG CNS Co., Ltd. and its subsidiaries	15,781	23	65,604	-	80,159
Others	-	-	-	-	450
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	102,628	12,943	59,470	27	73,320
Others	14	-	18	2	1,537
	<u>₩ 1,987,827</u>	<u>₩ 1,736,549</u>	<u>₩ 145,472</u>	<u>₩ 34</u>	<u>₩ 93,661</u>

(*) Dividends received and other income are included.

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	2024				
	Sales and Others(*1)	Purchase of raw materials /merchandises	Purchase and others		
			Acquisition of property, plant and equipment and intangibles	Interest expense	Others
Parent:					
LG Chem, Ltd.	₩ 28,133	₩ 29,034	₩ -	₩ 11	₩ 1,396
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	614,717	553,392	-	-	-
LG Energy Solution Michigan, Inc.	148,247	-	-	-	16,066
LG Energy Solution Battery (Nanjing) Co., Ltd.	39,989	243,147	-	-	-
LG Energy Solution Wrocław sp. z o.o.	261,490	3,558	-	-	2,713
LG Energy Solution Australia Pty Ltd.	(724)	-	-	-	15,627
LG Energy Solution Technology (Nanjing) Co., Ltd.	41,801	810,171	-	-	31
Ultium Cells LLC	54,815	-	-	-	-
LG Energy Solution Europe GmbH	4,959	-	-	-	33,393
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	1,683
Areumnoori Co., Ltd.	7	-	-	-	6,038
LG Energy Solution Vertech Inc.	256,939	-	-	-	86,718
L-H Battery Company, Inc.	2,055	-	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	1,033
LG Energy Solution Japan Co., Ltd.	-	-	-	-	405
Associates and joint ventures:					
PT. HLI Green Power	31,615	363	-	-	5,402
Sama Aluminium	-	558	-	-	-
Nexpo Co., Ltd.	-	54	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	19,360
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	16,960	-	-	-
LG HY BCM Co., Ltd.	-	673	-	-	-
TECWIN Co., Ltd.	-	-	217	-	33
LG Management Development Institute	-	-	-	-	17,177
D&O Co., Ltd. and its subsidiaries	43	-	2,146	-	2,533
LG CNS Co., Ltd. and its subsidiaries	13,723	27	159,847	-	69,514
Others	-	-	-	-	795
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	91,870	6,757	25,177	-	9,182
Xi C&A and its subsidiaries (*2)	-	2,725	15,169	-	70
S&I Corporation (*2)	-	3,027	7,610	-	18,229
Others	17	-	-	9	1,418
	<u>₩ 1,589,696</u>	<u>₩ 1,670,446</u>	<u>₩ 210,166</u>	<u>₩ 20</u>	<u>₩ 308,816</u>

(*1) Dividends received and other income are included.

(*2) The Company has been excluded from the large enterprise group after their separation from LG Group during the six-month period ended June 30, 2024. The amount includes transactions before the separation.

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(4) Balances of receivables and payables from related parties as of June 30, 2025, and December 31, 2024, are as follows
(Korean won in millions):

	June 30, 2025						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem, Ltd.	₩ -	₩ 11,945	₩ 11,945	₩ 2,742	₩ 275	₩ 10,042	₩ 13,059
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	23,030	122,612	145,642	253,783	-	31,272	285,055
LG Energy Solution Michigan, Inc.	25,232	21,434	46,666	-	-	18,418	18,418
LG Energy Solution Battery (Nanjing) Co., Ltd.	-	-	-	71,541	-	3,139	74,680
LG Energy Solution Wroclaw sp. z o.o.	12,497	208,662	221,159	805	-	224	1,029
LG Energy Solution Australia Pty Ltd.	2	-	2	-	-	3,467	3,467
LG Energy Solution Technology (Nanjing) Co., Ltd.	28,263	-	28,263	150,354	-	2,991	153,345
Ultium Cells LLC	129,494	51,818	181,312	-	-	-	-
LG Energy Solution Europe GmbH	8,153	668	8,821	-	-	7,849	7,849
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	-	203	203
Areumnoori Co., Ltd.	-	-	-	-	-	856	856
LG Energy Solution Vertech Inc.	290,107	282,822	572,929	-	-	3,978	3,978
LG Energy Solution Arizona, Inc.	-	264	264	-	-	1,198	1,198
L-H Battery Company, Inc.	-	6,607	6,607	150	-	265	415
LG Energy Solution India Private Ltd.	-	-	-	-	-	240	240
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	242	242
PT. HLI Green Power	-	20,932	20,932	-	-	-	-
NextStar Energy Inc.	1,950	17,989	19,939	-	-	-	-
Associates:							
Sama Aluminium	-	-	-	181	-	21	202
Mintech Co., Ltd.	-	-	-	-	-	64	64
Nexpo Co., Ltd.	-	-	-	-	-	20	20
Other related parties:							
LG Corp.	-	2,375	2,375	-	-	-	-
HAENGBOKNURI CO., LTD.	-	67	67	-	-	-	-
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	-	-	1,847	-	-	1,847
LG HY BCM Co., Ltd.	-	-	-	908	-	67	975
TECWIN Co., Ltd.	-	-	-	-	-	308	308
LG Management Development Institute	-	-	-	-	-	758	758
D&O Co., Ltd. and its subsidiaries	-	24	24	-	-	2,019	2,019
LG CNS Co., Ltd. and its subsidiaries	8,770	-	8,770	-	-	67,346	67,346
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*)	73,183	38,356	111,539	4,697	9,810	54,996	69,503
Others	-	559	559	-	-	2,858	2,858
	<u>₩ 600,681</u>	<u>₩ 787,134</u>	<u>₩ 1,387,815</u>	<u>₩ 487,008</u>	<u>₩ 10,085</u>	<u>₩ 212,841</u>	<u>₩ 709,934</u>

(*) Provisions for GM Bolt EV recall are not included in the balance of receivables and payables above.

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	December 31, 2024						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem, Ltd.	₩	- ₩	8,644 ₩	8,644 ₩	9,545 ₩	550 ₩	3,305 ₩ 13,400
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	891	178,899	179,790	447,745	-	62,768	510,513
LG Energy Solution Michigan, Inc.	22,816	79,913	102,729	12,925	-	27,691	40,616
LG Energy Solution Battery (Nanjing) Co., Ltd.	-	-	-	97,287	-	-	97,287
LG Energy Solution Wroclaw sp. z o.o.	161,466	293,411	454,877	4,433	-	5,739	10,172
LG Energy Solution Australia Pty Ltd.	16	(13)	3	-	-	3,957	3,957
LG Energy Solution Technology (Nanjing) Co., Ltd.	-	223	223	219,271	-	28,881	248,152
Ultium Cells LLC	11,319	73,570	84,889	-	-	-	-
LG Energy Solution Europe GmbH	46,846	2,874	49,720	-	-	58,338	58,338
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	-	267	267
Areumnoori Co., Ltd.	-	-	-	-	-	1,154	1,154
LG Energy Solution Vertech Inc.	320,310	7,865	328,175	-	-	15	15
L-H Battery Company, Inc.	2,201	2,770	4,971	-	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	-	(146)	(146)
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	273	273
PT. HLI Green Power (*1)	-	23,318	23,318	-	-	158	158
NextStar Energy Inc.	-	6,519	6,519	438	-	-	438
Associates and joint ventures:							
Sama Aluminium	-	-	-	430	-	-	430
Nexpo Co., Ltd.	-	-	-	17	-	-	17
Other related parties:							
LG Corp.	-	22,043	22,043	-	-	-	-
HAENGBOKNURI CO., LTD	-	-	-	-	-	99	99
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd	-	-	-	8,560	-	-	8,560
LG HY BCM Co., Ltd.	-	-	-	2	-	1,050	1,052
TECWIN Co., Ltd.	-	-	-	-	-	302	302
LG Management Development Institute	-	-	-	-	-	750	750
D&O Co., Ltd. and its subsidiaries	-	-	-	-	-	2,389	2,389
LG CNS Co., Ltd. and its subsidiaries	5,149	-	5,149	-	-	144,483	144,483
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*2)	37,084	2,233	39,317	4,982	-	43,024	48,006
Others	-	559	559	-	335	5,191	5,526
	<u>₩ 608,098</u>	<u>₩ 702,828</u>	<u>₩ 1,310,926</u>	<u>₩ 805,635</u>	<u>₩ 885</u>	<u>₩ 389,688</u>	<u>₩ 1,196,208</u>

(*1) During the prior period, the Company reclassified PT. HLI Green Power from a joint venture to a subsidiary due to amendments in the shareholders' agreement.

(*2) Provisions for GM Bolt recall is not included in the balance of receivables and payables above.

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(5) Fund transactions with related parties for the six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025						
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)	
				Loan	Repayment	Borrowing	Repayment
Parent:							
LG Chem, Ltd.	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 270
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	506,232	-	-	-	-	-	-
LG Energy Solution Michigan, Inc.	-	-	778,366	-	-	-	-
LG Energy Solution Fund I LLC.	-	-	861	-	-	-	-
L-H Battery Company, Inc.	-	-	704,476	-	-	-	-
LG Energy Solution Battery (Nanjing) Co., Ltd.	71,075	-	-	-	-	-	-
LG Energy Solution India Private Ltd.	4,456	-	-	-	-	-	-
LG Energy Solution Fund II LLC	-	-	16,105	-	-	-	-
LG Energy Solution (Taiwan) Ltd.	369	-	-	-	-	-	-
Areumnoori Co., Ltd.	1,900	-	-	-	-	-	-
LG Energy Solution China Co., Ltd.	-	-	14,174	-	-	-	-
Associates:							
Sama Aluminium	38	-	-	-	-	-	-
Nexpo Co., Ltd.	-	-	2,375	-	-	-	-
Bricks Capital Management Global Battery Private Equity Fund I	-	-	261	-	-	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	-	-	900	-	-	-	-
Others:							
LG Electronics Inc., Ltd. and its subsidiaries	-	-	-	-	-	10,226	840
LG Household & Health Care Ltd.	-	-	-	-	-	-	333
	<u>₩ 584,070</u>	<u>₩ -</u>	<u>₩ 1,517,518</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 10,226</u>	<u>₩ 1,443</u>

(*) The amounts represent lease liabilities that were recognized or repaid during the six-month period ended June 30, 2025.

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	2024							
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)		
				Loan	Repayment	Borrowing	Repayment	
Parent:								
LG Chem, Ltd.	₩	- ₩	- ₩	- ₩	- ₩	- ₩	- ₩	264
Subsidiaries:								
LG Energy Solution (Nanjing) Co., Ltd.	464,205	-	-	-	-	-	-	-
LG Energy Solution Technology (Nanjing) Co., Ltd.	39,789	-	-	-	-	-	-	-
LG Energy Solution Michigan, Inc.	-	-	978,342	-	-	-	-	-
LG Energy Solution Fund I LLC.	-	-	755	-	-	-	-	-
L-H Battery Company, Inc.	-	-	604,044	-	-	-	-	-
LG Energy Solution Battery (Nanjing) Co., Ltd.	26,526	-	-	-	-	-	-	-
LG Energy Solution Arizona ESS, Inc.	-	-	62,799	-	-	-	-	-
LG Energy Solution Arizona, Inc.	-	-	80,076	-	-	-	-	-
LG Energy Solution Japan Co., Ltd.	-	-	535	-	-	-	-	-
NextStar Energy Inc.	-	-	409,581	-	-	-	-	-
LG Energy Solution Fund II LLC	-	-	16,063	-	-	-	-	-
Associates and joint ventures:								
Sama Aluminium	150	-	-	-	-	-	-	-
Nexpo Co., Ltd.	-	-	1,900	-	-	-	-	-
Bricks Capital Management Global Battery Private Equity Fund I	-	-	5,803	-	-	-	-	-
Others:								
LG Household & Health Care Ltd.	-	-	-	-	-	-	-	326
	₩ 530,670	₩ -	₩ 2,159,898	₩ -	₩ -	₩ -	₩ -	590

(*) The amounts represent lease liabilities that were recognized or repaid during the six-month period ended June 30, 2024.

(6) Compensation for key management of the Company for the six-month periods ended June 30, 2025 and 2024, is as follows (Korean won in millions):

	2025	2024
Short-term employee benefits	₩ 35,703	₩ 14,889
Retirement benefits	2,661	4,506
	₩ 38,364	₩ 19,395

Key management includes directors (including non-executive) having duties and responsibilities over planning, operations and controlling of the Company's business activities.

(7) The payment guarantees provided by the Company for the related parties as of June 30, 2025, are disclosed in Note 18.

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024****30. INTERIM CONDENSED SEPARATE STATEMENTS OF CASH FLOWS:**

(1) Details of cash generated from operations for the six-month periods ended June 30, 2025 and 2024, are as follows
(Korean won in millions):

	2025	2024
Loss before income tax	₩ (287,443)	₩ (257,073)
Adjustments for:		
- Depreciation	201,196	189,057
- Amortization	97,327	63,906
- Retirement benefits	42,400	43,104
- Financial income	(733,265)	(319,919)
- Financial costs	1,060,708	320,612
- Inventory valuation loss	22,386	25,531
- Gain on disposal of property, plant and equipment	(124)	(296)
- Loss on disposal of property, plant and equipment	12,530	12,337
- Loss on disposal of intangible assets	10	154
- Impairment loss on property, plant and equipment	4,013	7,305
- Impairment loss on intangible assets	76	-
- Contribution to provisions	106,025	248,452
- Dividend income	(584,069)	(530,670)
- Other income and expenses	568	665
- Changes in inventories	193,118	(250,504)
- Changes in trade receivables	379,798	526,884
- Changes in other receivables	(110,581)	436,446
- Changes in other assets	37,387	(46,336)
- Changes in trade payables	(364,485)	53,116
- Changes in other payables	(512,008)	66,793
- Changes in other liabilities	128,530	227,770
- Changes in net defined benefit liabilities	(4,267)	(912)
- Changes in provisions	(132,558)	(149,562)
Cash generated from operations	₩ (442,728)	₩ 666,860

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(2) Changes in liabilities from financing activities for the six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

		2025					
		Cash flows from financing activities					
	Beginning		Reclassification of current portion	Amortization	Lease liabilities	Others	Ending
Short-term borrowings	₩ 33,039	₩ (16,396)	₩ 7,569	₩ -	₩ -	₩ -	₩ 24,212
Long-term borrowings	28,779	269,595	(7,569)	37	169	-	291,011
Debentures	7,900,440	4,377,777	-	7,597	-	(622,650)	11,663,164
	<u>₩ 7,962,258</u>	<u>₩ 4,630,976</u>	<u>₩ -</u>	<u>₩ 7,634</u>	<u>₩ 169</u>	<u>₩ (622,650)</u>	<u>₩ 11,978,387</u>

		2024					
		Cash flows from financing activities					
	Beginning		Reclassification of current portion	Amortization	Lease liabilities	Others	Ending
Short-term borrowings	₩ 26,523	₩ (15,704)	₩ 22,991	₩ -	₩ -	₩ -	₩ 33,810
Long-term borrowings	33,094	-	(22,991)	-	31,320	-	41,423
Debentures	3,760,184	1,595,376	-	3,168	-	198,576	5,557,304
	<u>₩ 3,819,801</u>	<u>₩ 1,579,672</u>	<u>₩ -</u>	<u>₩ 3,168</u>	<u>₩ 31,320</u>	<u>₩ 198,576</u>	<u>₩ 5,632,537</u>

(3) Significant non-cash transactions for the six-month periods ended June 30, 2025 and 2024, are as follows (Korean won in millions):

	2025	2024
Reclassification of construction in progress	₩ 533,151	₩ 328,892
Changes in other payables related to acquisition of property, plant and equipment and intangible assets	(157,889)	(194,201)
Reclassification of debentures into current portion	624,491	125,000
Reclassification of machinery in transit	12,632	9,351

31. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

(1) Liabilities related to contracts with customers as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Contract liabilities:		
Advances from customers received as part of the Company's main business activities	₩ 59,059	₩ 60,396
Expected customer incentives	14	1,535
Unearned revenue	297,692	264,173
	<u>₩ 356,765</u>	<u>₩ 326,104</u>

LG Energy Solution, Ltd.

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(2) Revenue recognized in relation to contract liabilities

Revenue recognized from the carried-forward contract liabilities for the three-month and six-month periods ended June 30, 2025 and 2024, is as follows (Korean won in millions):

	2025		2024	
	Three months	Six months	Three months	Six months
Revenue recognized in the period from the beginning contract liabilities:				
Revenue in relation to advances from customers received as part of the Company's main business activities	₩ 7,173	₩ 24,614	₩ 10,068	₩ 21,485
Unearned revenue	125,608	259,029	11,396	21,925
	<u>₩ 132,781</u>	<u>₩ 283,643</u>	<u>₩ 21,464</u>	<u>₩ 43,410</u>

32. INVESTMENT PROPERTIES:

(1) Details of investment properties as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025				December 31, 2024			
	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value
Buildings	₩ 295,250	₩ (80,951)	₩ (1,460)	₩ 212,839	₩ 309,299	₩ (81,804)	₩ (1,629)	₩ 225,866
Land	283	(14)	(35)	234	274	(11)	(35)	228
	<u>₩ 295,533</u>	<u>₩ (80,965)</u>	<u>₩ (1,495)</u>	<u>₩ 213,073</u>	<u>₩ 309,573</u>	<u>₩ (81,815)</u>	<u>₩ (1,664)</u>	<u>₩ 226,094</u>

(2) Changes in investment properties for the six-month period ended June 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	2025		2024	
	Land	Buildings	Land	Buildings
Beginning	₩ 228	₩ 225,867	₩ 240	₩ 212,410
Acquisition/transfer	8	41	-	28,057
Disposal/transfer	-	(10,088)	(8)	(8,000)
Depreciation	(2)	(2,981)	(4)	(6,601)
Ending	<u>₩ 234</u>	<u>₩ 212,839</u>	<u>₩ 228</u>	<u>₩ 225,866</u>

(3) The fair value of investment properties is measured either by independent professional appraisers with certified qualifications or measured based on official appraised value of land and available information from recent transactions of similar properties, and it is classified as 'Level 3' of the fair value hierarchy. The fair value of investment properties as of June 30, 2025, is ₩221,843 million (as of December 31, 2024, was ₩241,145 million).

Rental income from investment properties under operating leases for the six-month period ended June 30, 2025, is ₩1,898 million, and operating expenses incurred for investment properties that generated rental income (including maintenance and repair expenses) for the six-month period ended June 30, 2025, are ₩2,983 million.

LG Energy Solution, Ltd.**Notes to the interim condensed separate financial statements****As of June 30, 2025, and December 31, 2024, and****For the three-month and six-month periods ended June 30, 2025 and 2024**

(4) Operating lease

Investment properties are leased to tenants under operating leases with monthly rent payments. Where considered necessary to reduce credit risk, the Company may obtain bank guarantees for the term of the lease.

Although the Company is exposed to changes in the residual value at the end of the current leases, it typically enters into new operating leases and, therefore, will not immediately realize any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of investment properties.

The future minimum lease payments expected to be received in relation to the above operating lease agreement for investment properties as of June 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	June 30, 2025	December 31, 2024
Less than one year	₩ 5,174	₩ 7,654
Between one year and two years	996	2,293
Between two and five years	83	174
	<u>₩ 6,253</u>	<u>₩ 10,121</u>

33. EVENT AFTER THE REPORTING PERIOD:

In July 2025, the Company has entered into a payment guarantee for USD 1,100 million with respect to borrowings by its subsidiary, LG Energy Solution Michigan, Inc.