LG ENERGY SOLUTION, LTD.
AND ITS SUBSIDIARIES

Interim Condensed Consolidated Financial Statements
As of September 30, 2025, and December 31, 2024, and
For the Three-Month and Nine-Month Periods
Ended September 30, 2025 and 2024

(With the Independent Auditor's Review Report Thereon)

LG Energy Solution

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Report on Review of Interim Condensed Consolidated Financial Statements

English Translation of Independent Auditor's Review Report Originally Issued in Korean on November 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 consolidated financial statements of LG Energy Solution, Ltd. and its subsidiaries (the "Group"). These interim condensed consolidated financial statements consist of the interim condensed consolidated statement of financial position as of September 30, 2025, and the related interim condensed consolidated statements of profit or loss and interim condensed consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, and the interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows, all expressed in Korean won, for the nine-month periods ended September 30, 2025 and 2024, and a summary of material accounting policies and other explanatory information.

Management's responsibility for the interim condensed consolidated financial statements
Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

We conducted our review in accordance with the review standards for 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 consolidated financial statements are not prepared, in all material respects, in accordance with K-IFRS 1034 *Interim Financial Reporting.*

Deloitte.

Other matters

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

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

Deloitte Anjin LLC

November 11, 2025

This review report is effective as of November 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 consolidated financial statements and may result in modifications to this review report.

LG ENERGY SOLUTION, LTD.
AND ITS SUBSIDIARIES (the "Group")

Interim condensed consolidated financial statements
as of September 30, 2025, and December 31, 2024, and
for the Three-Month and Nine-Month Periods ended September 30, 2025 and 2024

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

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

LG Energy Solution, Ltd. and its subsidiaries
Interim condensed consolidated statements of financial position
As of September 30, 2025, and December 31, 2024

(Korean won in millions)

	Notes	September 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	3,5,6	₩ 5,323,792	₩ 3,898,711
Trade receivables	3,5,7,30	4,848,737	4,944,019
Other receivables	3,5,7,30	703,259	603,635
Other current financial assets	3,5,8	24,932	42
Prepaid income taxes		210,693	121,269
Other current assets	13	1,154,864	1,207,364
Inventories	9	4,883,207	4,552,355
		17,149,484	15,327,395
Non-current assets			
Trade receivables	3,5,7	188,980	392,584
Other receivables	3,5,7,30	160,151	134,450
Other non-current financial assets	3,5,8	930,011	1,132,368
Investments in associates and joint ventures	10,32	86,473	62,389
Deferred tax assets	27	3,075,308	2,774,153
Property, plant and equipment	11,32	42,854,642	38,349,552
Intangible assets	12,32	1,432,809	1,284,576
Investment properties	32,34	211,474	225,934
Other non-current assets	13,16	921,046	623,390
		49,860,894	44,979,396
Total assets		₩ 67,010,378	₩ 60,306,791
Liabilities			
Current liabilities			
Trade payables	3,5,30	₩ 2,331,706	₩ 2,705,481
Other payables	3,5,30	5,035,946	5,389,848
Borrowings	3,5,11,14,31	6,960,769	2,490,240
Provisions	15	912,327	1,044,468
Other current financial liabilities	3,5,8	912	1,159
Income tax payables		76,694	15,550
Other current liabilities	17,33	897,816	408,176
		16,216,170	12,054,922
Non-current liabilities			
Other payables	3,5,30	17,430	22,082
Borrowings	3,5,11,14,31	15,767,694	12,900,311
Other non-current financial liabilities	3,5,8	2,201,421	1,000,635
Provisions	15	1,041,734	778,686
Deferred tax liabilities	27	48,784	60,733
Other non-current liabilities	16,17,33	1,979,921	2,522,879
		21,056,984	17,285,326
Total liabilities		37,273,154	29,340,248
Equity attributable to owners of the Parent Company			
Share capital	19	117,000	117,000
Capital surplus	19	17,164,627	17,164,627
Accumulated other comprehensive income		2,056,177	2,437,399
Retained earnings	20	1,183,690	1,397,211
		20,521,494	21,116,237
Non-controlling interest		9,215,730	9,850,306
Total equity		29,737,224	30,966,543
Total liabilities and equity		₩ 67,010,378	₩ 60,306,791

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

LG Energy Solution, Ltd. and its subsidiaries
Interim condensed consolidated statements of profit or loss
For the three-month and nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

		September 30, 2025		September 30, 2024	
	Notes	Three months	Nine months	Three months	Nine months
Revenue	21,30,32,33	₩ 5,699,873	₩ 17,530,276	₩ 6,877,843	₩ 19,168,423
Cost of sales	21,22,30	4,252,880	14,069,070	5,620,828	16,294,517
Gross profit		1,446,993	3,461,206	1,257,015	2,873,906
Other operating income	21,32	365,496	1,313,973	465,974	1,102,722
Selling and administrative expenses	21,22,30	1,211,180	3,307,038	1,274,730	3,175,713
Operating profit	21	601,309	1,468,141	448,259	800,915
Finance income	5,24,30	(152,654)	746,729	152,864	640,633
Finance costs	5,24,30	(91,876)	1,156,747	212,735	746,829
Share of loss of associates and joint ventures	10	(861)	(1,989)	(2,292)	(43,897)
Other non-operating income	25	25,320	398,344	178,229	502,753
Other non-operating expenses	26	12,235	564,243	225,173	500,530
Profit before income tax expense		552,755	890,235	339,152	653,045
Income tax expense (benefit)	27	16,659	36,961	(222,155)	(96,574)
Profit for the period		₩ 536,096	₩ 853,274	₩ 561,307	₩ 749,619
Profit (loss) for the period attributable to:					
Owners of the Parent Company		₩ 247,180	₩ (196,006)	₩ 133,156	₩ (339,080)
Non-controlling interests		288,916	1,049,280	428,151	1,088,699
Earnings (losses) per share attributable to the equity holders of the Parent Company (in Korean won)	28				
Basic or diluted Earnings (losses) per share		₩ 1,056	₩ (838)	₩ 569	₩ (1,449)

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

LG Energy Solution, Ltd. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
For the three-month and nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

		September 30, 2025		September 30, 2024	
	Notes	Three months	Nine months	Three months	Nine months
Profit for the period		₩ 536,096	₩ 853,274	₩ 561,307	₩ 749,619
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss:					
Remeasurements of net defined benefit liabilities	16	(306)	724	(968)	(1,824)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income ("FVOCI")	5	3,588	(4,994)	(4,765)	(6,695)
Income tax effect of other comprehensive income		(754)	387	1,287	2,010
		2,528	(3,883)	(4,446)	(6,509)
Items that may be subsequently reclassified to profit or loss:					
Exchange differences on translation of foreign operations		946,986	(857,616)	(922,783)	380,345
Gain on cash flow hedge	5	403	126	127	3,801
Share of other comprehensive income of associates and joint ventures		284	284	(38,379)	(22,595)
Income tax effect of other comprehensive income (loss)		5,402	16,448	1,634	(99)
		953,075	(840,758)	(959,401)	361,452
Other comprehensive income (loss) for the period, net of tax		955,603	(844,641)	(963,847)	354,943
Total comprehensive income (loss) for the period, net of tax		₩ 1,491,699	₩ 8,633	₩ (402,540)	₩ 1,104,562
Total comprehensive income (loss) for the period attributable to:					
Owners of the Parent Company		₩ 913,540	₩ (594,975)	₩ (431,890)	₩ 16,098
Non-controlling interest		578,159	603,608	29,350	1,088,464

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

LG Energy Solution, Ltd. and its subsidiaries
Interim condensed consolidated statements of changes in equity
For the nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

	Notes	Attributable to the equity holders of the Parent Company						
	Notes	Share capital	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings	Subtotal	Non-controlling interests	Total
As of January 1, 2024		₩ 117,000	₩ 17,164,627	₩ 554,518	₩ 2,364,496	₩ 20,200,641	₩ 4,172,868	₩ 24,373,509
Comprehensive income for the period:								
Profit (loss) for the period		-	-	-	(339,080)	(339,080)	1,088,699	749,619
Remeasurements of net defined benefit liabilities	16	-	-	-	(1,406)	(1,406)	-	(1,406)
Exchange differences on translation of foreign operations		-	-	381,403	-	381,403	(235)	381,168
Loss on valuation of financial assets at FVOCI	5	-	-	(5,103)	-	(5,103)	-	(5,103)
Gain on cash flow hedge	5	-	-	2,879	-	2,879	-	2,879
Equity adjustments in equity method	10	-	-	(22,595)	-	(22,595)	-	(22,595)
Total comprehensive income (loss) for the period		-	-	356,584	(340,486)	16,098	1,088,464	1,104,562
Transactions with owners of the Parent Company recognized directly in equity:								
Capital increase		-	-	-	-	-	3,019,523	3,019,523
Business combination		-	-	-	-	-	201,481	201,481
Others		-	-	-	115	115	(201,580)	(201,465)
Total transactions with owners of the Parent Company recognized directly in equity		-	-	-	115	115	3,019,424	3,019,539
As of September 30, 2024		₩ 117,000	₩ 17,164,627	₩ 911,102	₩ 2,024,125	₩ 20,216,854	₩ 8,280,756	₩ 28,497,610
As of January 1, 2025		₩ 117,000	₩ 17,164,627	₩ 2,437,399	₩ 1,397,211	₩ 21,116,237	₩ 9,850,306	₩ 30,966,543
Comprehensive income for the period:								
Profit (loss) for the period		-	-	-	(196,006)	(196,006)	1,049,280	853,274
Remeasurements of net defined benefit liabilities	16	-	-	-	562	562	-	562
Exchange differences on translation of foreign operations		-	-	(395,311)	-	(395,311)	(445,672)	(840,983)
Loss on valuation of financial assets at FVOCI	5	-	-	(4,445)	-	(4,445)	-	(4,445)
Loss on cash flow hedge	5	-	-	(59)	-	(59)	-	(59)
Equity adjustments in equity method	10	-	-	284	-	284	-	284
Total comprehensive income (loss) for the period		-	-	(399,531)	(195,444)	(594,975)	603,608	8,633
Transactions with owners of the Parent Company recognized directly in equity:								
Capital increase		-	-	-	-	-	1,621,513	1,621,513
Capital decrease		-	-	-	-	-	(1,470,416)	(1,470,416)
Disposal of financial assets at FVOCI		-	-	18,309	(18,309)	-	-	-
Others		-	-	-	232	232	(1,389,281)	(1,389,049)
Total transactions with owners of the Parent Company recognized directly in equity		-	-	18,309	(18,077)	232	(1,238,184)	(1,237,952)
As of September 30, 2025		₩ 117,000	₩ 17,164,627	₩ 2,056,177	₩ 1,183,690	₩ 20,521,494	₩ 9,215,730	₩ 29,737,224

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

LG Energy Solution, Ltd. and its subsidiaries
Interim condensed consolidated statements of cash flows
For the nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

	Notes	September 30, 2025	September 30, 2024
Cash flows from operating activities:			
Cash generated from operations	31	₩ 3,499,648	₩ 2,581,120
Interest received		141,420	142,785
Interest paid		(594,054)	(416,421)
Dividends received		138	198
Income tax paid		(367,846)	(378,299)
Net cash provided by operating activities		2,679,306	1,929,383
Cash flows from investing activities:			
Cash inflow from investing activities:			
Decrease in other receivables		143,497	65,974
Decrease in other non-current receivables		15,341	6,310
Proceeds from disposal of financial assets		40,430	17,105
Proceeds from disposal of property, plant and equipment		30,816	14,499
Proceeds from disposal of intangible assets		780	2,281
Government grants received		61,952	111,029
Other cash inflow for investing activities		-	150
Cash inflows from business combination		-	59,825
		292,816	277,173
Cash outflow for investing activities:			
Increase in other receivables		(140,609)	(1,406)
Increase in other non-current receivables		(79,756)	(76,529)
Acquisition of investments in associates		(25,826)	(7,661)
Acquisition of financial instruments		(39,665)	(398,028)
Acquisition of property, plant and equipment		(8,514,763)	(9,016,485)
Acquisition of intangible assets		(111,827)	(78,530)
Other cash outflow for investing activities		(846)	(1,125)
		(8,913,292)	(9,579,764)
Net cash used in investing activities		(8,620,476)	(9,302,591)
Cash flows from financing activities:			
Cash inflow from financing activities:			
Proceeds from borrowings and others	31	10,805,536	7,665,096
Paid-in capital by non-controlling interests		1,621,513	3,019,524
		12,427,049	10,684,620
Cash outflow for financing activities:			
Repayments of borrowings and others	31	(3,494,451)	(2,895,466)
Payment for capital reduction to non-controlling interests		(146,639)	-
Others		(1,389,281)	(201,580)
		(5,030,371)	(3,097,046)
Net cash provided by financing activities		7,396,678	7,587,574
Net increase in cash and cash equivalents		1,455,508	214,366
Cash and cash equivalents at the beginning of period		3,898,711	5,068,783
Effects of exchange rate changes on cash and cash equivalents		(30,427)	101,961
Cash and cash equivalents at the end of period		₩ 5,323,792	₩ 5,385,110

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

1. GENERAL:

General information about LG Energy Solution, Ltd. (the "Company" or the "Parent Company") and its 24 subsidiaries (collectively, the "Group") is as follows:

1.1 Company Information

The Parent Company, a split-off of LG Chem Ltd.'s battery division, was incorporated on December 1, 2020.

As of September 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 September 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 September 30, 2025.

1.2 Business Overview

The Group is engaged in providing energy solution services.

The Group 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.

1.3 Consolidated Subsidiaries and Investments in Associates and Joint Ventures

	Ownership (%)				
	September 30, 2025	December 31, 2024	Location	Closing month	Business
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	100	100	China	December	Mobile battery manufacturing, sales and others
LG Energy Solution Michigan Inc. (*1)	100	100	USA	December	Automotive battery research and manufacturing
LG Energy Solution Battery (Nanjing) Co., Ltd.	100	100	China	December	Automotive battery manufacturing and sales
LG Energy Solution Wroclaw sp. z o.o.	100	100	Poland	December	Automotive battery manufacturing and sales
LG Energy Solution Australia Pty Ltd.	100	100	Australia	December	ESS battery sales
LG Energy Solution Technology (Nanjing) Co., Ltd.	100	100	China	December	Automotive battery manufacturing, sales and others
Ultium Cells Holdings LLC (*2)	50	50	USA	December	Automotive battery manufacturing and sales
Ultium Cells LLC (*2)	50	50	USA	December	Automotive battery manufacturing and sales
LG Energy Solution Europe GmbH	100	100	Germany	December	ESS battery sales and others
LG Energy Solution (Taiwan) Ltd.	100	100	Taiwan	December	Mobile battery sales and others
Areumnoori Co., Ltd.	100	100	Korea	December	Facility management and cleaning
LG Energy Solution Fund I LLC	100	100	USA	December	Investment in ventures
LG Energy Solution Vertech Inc.	100	100	USA	December	ESS battery installation service
LG Energy Solution Arizona, Inc.	100	100	USA	December	Mobile battery manufacturing and sales
Baterias De Castilla, S.L.	100	100	Spain	December	Others
L-H Battery Company, Inc.	51	51	USA	December	Automotive battery manufacturing and sales
LG Energy Solution India Private Limited	100	100	India	December	Mobile battery sales and others
LG Energy Solution Arizona ESS, Inc.	100	100	USA	December	ESS battery manufacturing and sales
Nextstar Energy Inc.	51	51	Canada	December	Automotive battery manufacturing and sales
LG Energy Solution Fund II LLC	100	100	USA	December	Investment in ventures
HL-GA Battery Company LLC (*3)	50	50	USA	December	Automotive battery manufacturing and sales
LG Energy Solution Japan Co., Ltd.	100	100	Japan	December	ESS battery sales
PT. HLI Green Power (*4)	50	50	Indonesia	December	Automotive battery manufacturing and sales
LG Energy Solution China Co., Ltd. (*5)	100	-	China	December	Business support services and others
Associates and joint ventures:					
Sama Aluminium Co., Ltd. (*6)	10.2	10.2	Korea	December	Aluminum manufacturing, sales and others
Nexpo Co., Ltd. (*7)	19	19	Korea	December	Battery product manufacturing, sales and others
Bricks Capital Management Global Battery Private Equity Fund I (*8)	59.9	59.9	Korea	December	Collective investment institution
Jeju Bukchon BESS Power Plant Co., Ltd. (*9)	10	-	Korea	December	Renewable Energy Services
PT LBM Energi Baru Indonesia (*10)	20	-	Indonesia	December	Manufacturing and Sales of Secondary Battery Materials

(*1) LG Energy Solution Michigan Inc. owns 50% of Ultium Cells Holdings LLC and HL-GA Battery Company LLC's shares.
(*2) The Group does not hold a majority ownership interest in Ultium Cells LLC or Ultium Cells Holdings LLC. According to the arrangement between shareholders, the Group holds the majority of voting rights in the decision-making process of the entity and has the ability to affect the variable returns by engaging in the entity's production and cost management. This implies that the Group exercises control over the entity.
(*3) Although the Group does not hold a majority ownership interest in HL-GA Battery Company LLC, amendments in the shareholder agreement grant the Group holds the majority of voting rights in the decision-making process of the entity and has the ability to affect variable returns by engaging in the entity's production and cost management. Accordingly, HL-GA Battery Company LLC was included as a subsidiary in the consolidated financial statements during the current period.
(*4) Although the Group does not hold a majority ownership interest in PT. HLI Green Power, amendments in the shareholder agreement grant the Group holds the majority of voting rights in the decision-making process of the entity and has the ability to affect variable returns by engaging in the entity's production and cost management. Accordingly, PT. HLI Green Power was included as a subsidiary in the consolidated financial statements during the current period.
(*5) During the current period, the Group newly acquired 100% of LG Energy Solution China Co., Ltd. for ₩14,174 million.
(*6) Although the ownership in Sama Aluminium Co., Ltd. is less than 20%, the arrangement between shareholders ensures that the Group has the ability to participate in the decision-making process, thus exerting significant influence over the entity. As a result, the entity is classified as an associate.
(*7) Although the ownership in Nexpo Co., Ltd. is less than 20%, the arrangement between shareholders ensures that the Group has the ability to participate in the decision-making process, thus exerting significant influence over the entity. As a result, the entity is classified as an associate.
(*8) Although the subsidiary's equity stake in the joint venture exceeds 50%, but since unanimous consent from all equity participants is required for major decisions, the Group has concluded that it does not control the joint venture. As a result, it has been classified as an investment in an associate.
(*9) During the current period, the Group newly acquired 10% of Jeju Bukchon BESS Power Plant Co., Ltd. for ₩900 million. Although the ownership in Jeju Bukchon BESS Power Plant Co., Ltd. is less than 20%, the arrangement between shareholders ensures that the Group has the ability to participate in the decision-making process, thus exerting significant influence over the entity. As a result, the entity is classified as an associate.
(*10) During the current period, the Group newly acquired 20% of PT LBM Energi Baru Indonesia for ₩22,107 million.

1.4 Changes in Scope for Consolidation

New subsidiary included in the interim condensed consolidated financial statements for the nine-month period ended September 30, 2025, is as follows:

	Reason for the inclusion
LG Energy Solution China Co., Ltd.	Incorporated during the current period

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES:

2.1 Basis of Preparation

The Group's interim condensed consolidated financial statements were prepared in accordance with Korean International Financial Reporting Standard ("K-IFRS") 1034 *Interim Financial Reporting* as part of the period covered by the Group's K-IFRSs annual consolidated financial statements. In order to be understood, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated 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 consolidated financial statements are consistent with the accounting policies adopted in the preparation of the annual consolidated 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.

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 features, contingent features, 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 FVOCI 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.

- 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 Group does not anticipate that the application of the amendment will have a significant impact on its interim condensed consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT:

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market, credit and liquidity. The Group'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 Group. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group'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 Group'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 Group 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 of the Group has set up a policy to require each company in the Group to manage its foreign exchange risk against its functional currency. The Group 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 Group has certain investments in foreign operations whose net assets are exposed to foreign exchange risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

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

	September 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
USD	₩ 3,510,532	₩ 8,855,331	₩ 4,302,999	₩ 6,674,089
EUR	270,984	3,725,739	406,770	3,728,590
JPY	31,135	61,155	50,688	131,907
CNY and others	143,663	110,202	243,000	56,719

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

	September 30, 2025		December 31, 2024	
	10% Increase	10% Decrease	10% Increase	10% Decrease
USD	₩ (534,480)	₩ 534,480	₩ (237,109)	₩ 237,109
EUR	(345,476)	345,476	(332,182)	332,182
JPY	(3,002)	3,002	(8,122)	8,122
CNY and others	3,346	(3,346)	18,628	(18,628)

The above sensitivity analysis has been performed for monetary assets and liabilities denominated in foreign currencies as of the end of the quarter.

As of September 30, 2025, the Group entered into foreign currency forward 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	11.24.2020	04.16.2029	₩ 110,940	₩ -
	JP Morgan	USD 200	1,337.60	09.25.2023	09.25.2026	12,366	-
	Shinhan Bank	USD 200	1,337.60	09.25.2023	09.25.2026	12,241	-
	KDB Bank	USD 400	1,337.60	09.25.2023	09.25.2028	20,768	-
	Woori Bank	USD 200	1,337.60	09.25.2023	09.25.2028	10,386	-
	DBS	USD 200	1,380.80	07.02.2024	07.02.2027	6,118	-
	JP Morgan	USD 200	1,380.80	07.02.2024	07.02.2027	6,311	-
	Shinhan Bank	USD 300	1,380.80	07.02.2024	07.02.2027	9,302	-
	KB Kookmin Bank	USD 200	1,380.80	07.02.2024	07.02.2029	5,788	-
	Woori Bank	USD 200	1,380.80	07.02.2024	07.02.2029	5,797	-
	Korea Exim Bank	USD 200	1,380.80	07.02.2024	07.02.2029	5,725	-
	IBK Securities	USD 100	1,380.80	07.02.2024	07.02.2029	2,815	-
	KDB Bank	USD 100	1,380.80	07.02.2024	07.02.2029	2,843	-
Currency swap (*)	KDB Bank	USD 400	1,380.80	07.02.2024	07.02.2034	-	5,459
	Woori Bank	USD 100	1,380.80	07.02.2024	07.02.2034	-	1,376
	Hana Bank	USD 200	1,471.70	04.02.2025	04.02.2028	-	10,570
	JP Morgan	USD 100	1,471.70	04.02.2025	04.02.2028	-	5,432
	SMBC	USD 100	1,471.70	04.02.2025	04.02.2028	-	5,443
	Shinhan Bank	USD 200	1,471.70	04.02.2025	04.02.2030	-	14,919
	Woori Bank	USD 100	1,471.70	04.02.2025	04.02.2030	-	7,435
	KDB Bank	USD 500	1,471.70	04.02.2025	04.02.2030	-	24,103
	Shinhan Bank	USD 100	1,471.70	04.02.2025	04.02.2030	-	4,888
	Woori Bank	USD 200	1,471.70	04.02.2025	04.02.2035	-	16,467
	Hanwha Securities	USD 200	1,471.70	04.02.2025	04.02.2035	-	16,423
	Hana Bank	USD 100	1,471.70	04.02.2025	04.02.2035	-	8,187
	KB Kookmin Bank	USD 100	1,471.70	04.02.2025	04.02.2035	-	8,337
	Credit Agricole	USD 50	1,471.70	04.02.2025	04.02.2035	-	4,007
	KDB Bank	USD 50	1,471.70	04.02.2025	04.02.2035	-	4,113

(*) 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 rate. 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 Group adequately minimizes risks from interest rate fluctuations through various policies, such as sharing excess cash within the Group (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.

The table below summarizes the impact of increases/decreases of interest rate on the Group'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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Increase	₩ (80,835)	₩ (46,125)	₩ (80,835)	₩ (46,125)
Decrease	80,835	46,125	80,835	46,125

3) Price risk

The Group is exposed to price risks from equity instruments. As of September 30, 2025, the fair value of equity instruments is ₩142,045 million. With all other variables held constant, a price change in equity instruments by 10% would have changed the Group's equity by ₩14,204 million before tax.

(2) Credit risk

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

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

To manage credit risks relating to trade receivables, the Group 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 Group 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 Group is also provided with collateral by customers depending on their credit rating or payment guarantees from the customers' financial institutions, if necessary.

The Group has deposited its cash and cash equivalents and other long-term deposits in several financial institutions, such as Woori Bank and others. The Group has also entered into derivative contract with several financial institutions. The Group maintains business relationship with the 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 Group 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 the days past due. The provisions for receivables as of September 30, 2025, and December 31, 2024, are as follows. Expected credit losses include forward-looking information (Korean won in millions):

	Receivables not past due (*)	Receivables past due, but not impaired (*)	Receivables impaired (individually evaluated)	Total
September 30, 2025 (trade receivables)				
Gross carrying amount	₩ 4,521,807	₩ 515,910	₩ -	₩ 5,037,717
Expected loss rate	-	-	-	0.00%
Provisions for receivables	-	-	-	-
December 31, 2024 (trade receivables)				
Gross carrying amount	₩ 5,226,311	₩ 110,292	₩ 1	₩ 5,336,604
Expected loss rate	-	-	100.00%	0.00%
Provisions for receivables	-	-	1	1

(*) See Note 7.(3) for aging analysis.

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

	2025	2024
Beginning	₩ 1	₩ -
Provisions recognized in profit or loss	(1)	13
Write-off	-	(12)
Ending	₩ -	₩ 1

As of September 30, 2025, the carrying amount of trade receivables representing the maximum exposure to credit risk amounts to ₩5,037,717 million (as of December 31, 2024, was ₩5,336,603 million).

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 September 30, 2025, and December 31, 2024, the provisions for other financial assets 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 Group monitors rolling forecasts of the Group'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 Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Group's liquidity management policy considers the Group'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 Group's derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting period 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):

	September 30, 2025			
	Less than 1 year	**Between 1 year–2 years**	**Between 2–5 years**	**More than 5 years**
Non-derivative instruments:				
Borrowings	₩ 6,927,508	₩ 4,222,934	₩ 12,150,118	₩ 2,699,345
Lease liabilities	92,692	68,198	165,764	124,759
Trade and other payables (*)	7,367,652	12,071	5,359	-
	14,387,852	4,303,203	12,321,241	2,824,104
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	(560,880)	(981,540)	(4,487,040)	(1,682,640)
Outflows	535,040	966,560	4,371,825	1,720,590
	(25,840)	(14,980)	(115,215)	37,950
	₩ 14,362,012	₩ 4,288,223	₩ 12,206,026	₩ 2,862,054

	December 31, 2024			
	Less than 1 year	**Between 1 year–2 years**	**Between 2–5 years**	**More than 5 years**
Non-derivative instruments:				
Borrowings	₩ 3,059,952	₩ 3,658,210	₩ 8,594,217	₩ 2,340,232
Lease liabilities	87,984	57,643	103,007	134,674
Trade and other payables (*)	8,095,329	17,194	4,887	1
	11,243,265	3,733,047	8,702,111	2,474,907
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)
	₩ 11,243,265	₩ 3,680,087	₩ 8,305,286	₩ 2,430,307

(*) As of September 30, 2025, the carrying amount related to supplier financing arrangements is ₩255,798 million (as of December 31, 2024, was ₩683,752 million) (see Note 5.(3)).

The Group is not exposed to significant liquidity risk arising from supplier financing arrangements, as the amount of liabilities subject to these arrangements is limited, and the Group can obtain alternative financing under similar terms.

2) As of September 30, 2025, the Group has entered into swap contracts, to which cash flow hedge accounting is applied, to avoid fluctuations in the market price of raw materials as follows (Korean won in millions):

	Purpose of the contracts	Hedged items	Financial institution	Maturity	September 30, 2025		December 31, 2024	
					Assets	Liabilities	Assets	Liabilities
Merchandise (raw materials) swap (*)	Cash flow hedge	Non-ferrous metal	Citibank, etc.	December 2027	₩ 432	₩ 1,177	₩ 64	₩ 1,594

(*) Gain (loss) on the contracts that hedge the cash flow risk of forecast transaction is recognized in accumulated other comprehensive income and is fully effective portion for hedging.

3.2 Capital Risk Management

The Group's objectives for managing capital are to safeguard its ability to continue providing profits to shareholders and for 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 Group 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 consolidated statements of financial position, plus net debt.

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

	September 30, 2025	December 31, 2024
Total borrowings (Note 14) (A)	₩ 22,728,463	₩ 15,390,551
Less: Cash and cash equivalents (B)	(5,323,792)	(3,898,711)
Net debt (C=A+B)	17,404,671	11,491,840
Total liabilities (D)	37,273,154	29,340,248
Total equity (E)	29,737,224	30,966,543
Total capital (F=C+E)	47,141,895	42,458,383
Gearing ratio (C/F)	36.9%	27.1%
Debt-to-equity ratio (D/E)	125.3%	94.7%

3.3 Fair Value Estimation

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

	September 30, 2025			December 31, 2024		
		Carrying amount	Fair value		Carrying amount	Fair value
Financial assets (current):						
Cash and cash equivalents	₩	5,323,792	(*)	₩	3,898,711	(*)
Trade receivables		4,848,737	(*)		4,944,019	(*)
Other receivables (excluding deposits from financial institutions)		702,951	(*)		603,635	(*)
Deposits from financial institutions		308	(*)		-	-
Current derivative financial assets		325	325		42	42
Current derivative financial assets (currency swap)		24,607	24,607		-	-
Financial assets (non-current):						
Trade receivables		188,980	(*)		392,584	(*)
Other receivables (excluding deposits from financial institutions)		46,384	(*)		68,219	(*)
Deposits from financial institutions		113,767	(*)		66,231	(*)
Other non-current financial assets (measured at fair value):						
Marketable financial assets		702	702		26,973	26,973
Non-marketable financial assets		711,227	711,227		703,957	703,957
Non-current derivative financial assets		31,287	31,287		31,163	31,163
Non-current derivative financial assets (currency forward)		110,940	110,940		118,088	118,088
Non-current derivative financial assets (currency swap)		75,855	75,855		252,187	252,187
Financial liabilities (current):						
Trade and other payables		7,367,652	(*)		8,095,329	(*)
Current borrowings (excluding lease liabilities)		6,863,682	(*)		2,413,086	(*)
Current derivative financial liabilities		912	912		1,159	1,159
Financial liabilities (non-current):						
Non-current borrowings (excluding lease liabilities)		15,470,469	16,678,835		12,641,359	13,202,530
Other non-current payables		17,430	(*)		22,082	(*)
Non-current derivative financial liabilities		265	265		435	435
Non-current derivative financial liabilities (currency swap)		137,159	137,159		-	-
Non-current financial liabilities at amortized cost		2,063,997	(*)		1,000,200	(*)

(*) Fair values for these financial assets and liabilities are not disclosed above as their carrying amounts are 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 credit rating same as that of the Parent Company (AA0). The applied discount rates as of September 30, 2025, and December 31, 2024, are as follows:

	September 30, 2025	December 31, 2024
Discount rate	2.66% – 4.11%	3.17% – 4.12%

(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 Group 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 September 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):

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Current derivative financial assets	₩ -	₩ 325	₩ -	₩ 325
Current derivative financial assets (currency swap)	-	24,607	-	24,607
Non-current derivative financial assets	-	1,582	29,705	31,287
Non-current derivative financial assets (currency forward)	-	110,940	-	110,940
Non-current derivative financial assets (currency swap)	-	75,855	-	75,855
Other non-current financial assets (marketable financial assets)	702	-	-	702
Other non-current financial assets (non-marketable financial assets)	-	-	711,227	711,227
Current derivative financial liabilities	-	912	-	912
Non-current derivative financial liabilities	-	265	-	265
Non-current derivative financial liabilities (currency swap)	-	137,159	-	137,159
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	16,678,835	-	16,678,835

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Current derivative financial assets	₩ -	₩ 42	₩ -	₩ 42
Non-current derivative financial assets	-	22	31,141	31,163
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)	26,973	-	-	26,973
Other non-current financial assets (non-marketable financial assets)	-	-	703,957	703,957
Current derivative financial liabilities	-	1,159	-	1,159
Non-current derivative financial liabilities	-	435	-	435
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	13,202,530	-	13,202,530

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of interim condensed consolidated financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Group'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 Group's interim condensed consolidated financial statements are the same as those of the annual consolidated financial statements as of and for the year ended December 31, 2024.

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

(1) Income taxes

The Group's taxable income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. If certain portion of the taxable income is not used for investments, increase in wages or dividends, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income taxes is affected by these tax effects. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is uncertainty in measuring the final tax effects.

(2) Provisions

The Group 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 Group's customer 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 Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at September 30, 2025 (see Note 3.3).

(4) Impairment of financial assets

The provision for impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to 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 Group 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.

5. FINANCIAL INSTRUMENTS BY CATEGORY:

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

	September 30, 2025				
Financial assets	**Financial assets at amortized cost**	**Financial assets at FVPL**	**Financial assets at FVOCI (*1)**	**Other financial assets (*2)**	**Total**
Cash and cash equivalents	₩ 5,323,792	₩ -	₩ -	₩ -	₩ 5,323,792
Trade receivables	4,676,267	-	172,470	-	4,848,737
Non-current trade receivables	188,980	-	-	-	188,980
Other current receivables	703,259	-	-	-	703,259
Other non-current receivables	160,151	-	-	-	160,151
Other current financial assets	-	24,607	-	325	24,932
Other non-current financial assets	-	786,384	142,045	1,582	930,011
	₩ 11,052,449	₩ 810,991	₩ 314,515	₩ 1,907	₩ 12,179,862

	September 30, 2025		
Financial liabilities	**Financial liabilities at amortized cost**	**Other financial liabilities (*3)**	**Total**
Trade payables	₩ 2,331,706	₩ -	2,331,706
Other payables	5,035,946	-	5,035,946
Other non-current payables	17,430	-	17,430
Current borrowings	6,863,682	97,087	6,960,769
Non-current borrowings	15,470,469	297,225	15,767,694
Other current financial liabilities	-	912	912
Other non-current financial liabilities	2,063,997	137,424	2,201,421
	₩ 31,783,230	₩ 532,648	₩ 32,315,878

	December 31, 2024				
Financial assets	**Financial assets at amortized cost**	**Financial assets at FVPL**	**Financial assets at FVOCI (*1)**	**Other financial assets (*2)**	**Total**
Cash and cash equivalents	₩ 3,898,711	₩ -	₩ -	₩ -	₩ 3,898,711
Trade receivables	4,621,452	-	322,567	-	4,944,019
Non-current trade receivables	392,584	-	-	-	392,584
Other current receivables	603,635	-	-	-	603,635
Other non-current receivables	134,450	-	-	-	134,450
Other current financial assets	-	-	-	42	42
Other non-current financial assets	-	968,355	163,991	22	1,132,368
	₩ 9,650,832	968,355	₩ 486,558	₩ 64	₩ 11,105,809

	December 31, 2024		
Financial liabilities	**Financial liabilities at amortized cost**	**Other financial liabilities (*3)**	**Total**
Trade payables	₩ 2,705,481	₩ -	₩ 2,705,481
Other payables	5,389,848	-	5,389,848
Other non-current payables	22,082	-	22,082
Current borrowings	2,413,086	77,154	2,490,240
Non-current borrowings	12,641,359	258,952	12,900,311
Other current financial liabilities	-	1,159	1,159
Other non-current financial liabilities	1,000,200	435	1,000,635
	₩ 24,172,056	₩ 337,700	₩ 24,509,756

(*1) At initial recognition, the Group 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 assets include derivative assets.
(*3) Other financial liabilities include lease liabilities and derivative liabilities.

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

	September 30, 2025		September 30, 2024	
	Three months	Nine months	Three months	Nine months
Interest income:				
Financial assets at amortized cost	₩ 51,749	₩ 150,461	₩ 57,362	₩ 169,919
Financial assets at FVPL	3,735	20,557	-	-
Interest expense:				
Financial liabilities at amortized cost	(247,555)	(679,160)	(195,057)	(465,500)
Other financial liabilities	(3,813)	(11,687)	(3,136)	(5,445)
Financial assets at amortized cost (*)	-	-	-	(46)
Gain or loss on valuation/disposal:				
Financial assets at FVPL	(3,205)	(3,205)	502	728
Financial assets at FVOCI	3,588	(4,994)	(4,766)	(6,695)
Derivative instruments	353,266	(294,204)	(209,402)	(16,317)
Exchange differences:				
Financial assets at amortized cost	106,864	(235,161)	(211,506)	75,396
Financial liabilities at amortized cost	(304,076)	499,954	407,725	134,871
Financial assets at FVPL	16,298	(23,432)	(22,530)	(15,558)

(*) Fees paid to financial institutions for factoring.

(3) Supplier financing arrangements

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

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

	September 30, 2025	December 31, 2024
Liabilities classified as accounts payable and other liabilities:		
The carrying amounts of accounts payable and other liabilities corresponding to supplier financing agreements (*)	₩ 255,798	₩ 683,752
The carrying amounts of accounts payable and other liabilities corresponding to the portion for which the supplier has already received payment from the financial provider	₩ 13,086	₩ 452,192

(*) Under the purchase card and B2B procurement arrangements, the financial institution acquires certain trade receivables from the supplier. Although the purchase card arrangement modifies the timing of payment, the terms of the Group's liability are not substantively altered. Accordingly, the related balances continue to be presented within accounts payable and other liabilities in the statements of financial position. In the statements of cash flows, as the Group is not a party to the cash flows between the financial institution and the supplier and the substance of the liability remains unchanged, subsequent payments to the financial institution are treated as ordinary settlement of trade payables and are presented as cash outflows from operating activities.

The payment term ranges for financial liabilities under supplier financing agreements and for comparable purchase liabilities not under supplier financing agreements are as follows:

	The purchase card	B2B
Liabilities classified as accounts payable and other liabilities:		
The payment due date range for accounts payable covered by the supplier financing agreement	Within approximately 90 days from the payment date	Within 90 days from the end of the billing month
The range of payment dates for comparable accounts payable that are not supplier financing agreements	Within 60 days from the end of the billing month	Within 90 days from the end of the billing month

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 September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Bank deposits and cash on hand	₩ 2,835,172	₩ 2,950,257
Cash equivalents	2,488,620	948,454
	₩ 5,323,792	₩ 3,898,711

(2) As of September 30, 2025, cash and cash equivalents include ₩52,999 million, which is subject to a restriction on the use and remittance (as of December 31, 2024, ₩1,204,633 million).

7. TRADE AND OTHER RECEIVABLES:

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

	September 30, 2025			December 31, 2024		
	Gross amount	Provision for impairment	Carrying amount	Gross amount	Provision for impairment	Carrying amount
Trade receivables	₩ 4,848,737	₩ -	₩ 4,848,737	₩ 4,944,020	₩ (1)	₩ 4,944,019
Non-current trade receivables	188,980	-	188,980	392,584	-	392,584
Other current receivables	703,259	-	703,259	603,635	-	603,635
Other non-current receivables	160,151	-	160,151	134,450	-	134,450
	₩ 5,901,127	₩ -	₩ 5,901,127	₩ 6,074,689	₩ (1)	₩ 6,074,688

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

	September 30, 2025	December 31, 2024
Current:		
Non-trade receivables	₩ 619,817	₩ 571,809
Due from financial institutions (*1)	308	-
Accrued income	25,364	4,529
Loans	63	99
Guarantee deposits provided	57,707	27,198
	703,259	603,635
Non-current:		
Non-trade receivables	2,850	3,291
Due from financial institutions (*2)	113,767	66,231
Loans	9,741	11,433
Guarantee deposits provided	33,793	53,495
	160,151	134,450
	₩ 863,410	₩ 738,085

(*1) As of September 30, 2025, the amount is restricted for dividend payments.

(*2) As of September 30, 2025, among the amount due from financial institutions (non-current), ₩60,000 million is restricted for the agreement on Win-Win Growth Cooperation, ₩14 million as a guarantee deposit for current account opening, PLN 1 million as a guarantee for the overseas transfer of hazardous waste and USD 38 million as collateral for LOC issuance.

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

	September 30, 2025		December 31, 2024	
	Trade receivables	**Other receivables**	**Trade receivables**	**Other receivables**
Receivables not past due	₩ 4,521,807	₩ 753,999	₩ 5,226,311	₩ 721,072
Past due, but not impaired:				
Less than three months	138,453	98,817	109,247	13,873
Between three and six months	349,507	4,924	961	598
More than six months	27,950	5,670	84	2,542
	515,910	109,411	110,292	17,013
Impaired receivables	-	-	1	-
	₩ 5,037,717	₩ 863,410	₩ 5,336,604	₩ 738,085

(4) Changes in the provision for impairment of trade and other receivables for the nine-month period ended September 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	2025		2024	
	Trade receivables	**Other receivables**	**Trade receivables**	**Other receivables**
Beginning	₩ 1	₩ -	₩ -	₩ -
Additions(reversals)	(1)	-	13	-
Write-off	-	-	(12)	-
Ending	₩ -	₩ -	₩ 1	₩ -

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

(6) The Group transfers trade receivables along with substantially all the risks and rewards of ownership. Therefore, the amount was derecognized on the discount date. As of September 30, 2025, and December 31, 2024, there is no balance of transferred trade receivables.

8. OTHER FINANCIAL ASSETS AND LIABILITIES:

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

	September 30, 2025	December 31, 2024
Other financial assets:		
Financial assets at FVOCI	₩ 142,045	₩ 163,991
Cash flow hedge	432	64
Financial assets at FVPL (*)	812,466	968,355
	₩ 954,943	₩ 1,132,410
Other financial liabilities:		
Cash flow hedge	₩ 1,177	₩ 1,594
Financial liabilities at FVPL	137,159	-
Other financial liabilities at amortized cost	2,063,997	1,000,200
	₩ 2,202,333	₩ 1,001,794

(*) 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 nine 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 nine-month period ended September 30, 2025, and the year ended December 31, 2024, are as follows (Korean won in millions):

	2025	2024
Beginning	₩ 163,991	₩ 140,435
Acquisitions/Transfer	10,584	16,563
Disposal	(24,035)	-
Valuation loss (before income tax deduction), other comprehensive income item	(4,994)	(251)
Others	(3,501)	7,244
Ending	₩ 142,045	₩ 163,991

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

	Volta Energy Solutions S.a.r.l	Capchem Poland SP. Z o. o.
Exercise date	From three years after the acceptance date (initial investment date, January 27, 2021) to the following three years.	From one year after the contract date (initial investment date, April 9, 2021) to the following five years.
Exercise price	The amount contributed, less any dividends received from the date of contribution up to the exercise.	The higher amount between the fair market value and the investment principal.
Other term	The option cannot be exercised once Volta Energy Solutions S.a.r.l. is listed.	-

9. INVENTORIES:

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

	September 30, 2025			December 31, 2024		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Merchandise	₩ 235,700	₩ (35,837)	₩ 199,863	₩ 207,834	₩ (35,724)	₩ 172,110
Finished/semifinished products	2,790,278	(213,896)	2,576,382	2,781,000	(242,822)	2,538,178
Raw materials	1,521,049	(6,281)	1,514,768	1,322,065	(16,384)	1,305,681
Supplies	113,315	(23,279)	90,036	109,352	(7,776)	101,576
Materials in transit	502,158	-	502,158	434,810	-	434,810
	₩ 5,162,500	₩ (279,293)	₩ 4,883,207	₩ 4,855,061	₩ (302,706)	₩ 4,552,355

(2) The amount of inventories expensed as cost of sales for the nine-month periods ended September 30, 2025 and 2024, is ₩13,679,112 million and ₩15,918,869 million, respectively.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES:

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

	2025					
	Beginning	Acquisitions	Dividend	Share of profit(loss) of associates and joint ventures	Capital Adjustment from Equity Method	Ending
Sama Aluminium Co., Ltd. (*1)	₩ 45,396	₩ -	₩ (38)	₩ (1,432)	₩ -	₩ 43,926
Nexpo Co., Ltd. (*2)	3,831	2,375	-	(263)	-	5,943
Bricks Capital Management Global Battery Private Equity Fund	13,162	445	-	(183)	-	13,424
Jeju Bukchon BESS Power Plant Co., Ltd. (*3)	-	900	-	(111)	-	789
PT LBM Energi Baru Indonesia (*4)	-	22,107	-	-	284	22,391
	₩ 62,389	₩ 25,827	₩ (38)	₩ (1,989)	₩ 284	₩ 86,473

	2024							
					Capital Adjustment from Equity Method			
	Beginning	Acquisitions	Dividend	Share of profit(loss)of associates and joint ventures	Effect of foreign currency translation	Reclassification due to disposal	Disposals	Ending
PT. HLI Green Power (*5)	₩162,273	₩ -	₩ -	₩ (42,710)	₩ 15,209	₩ (37,804)	₩ (96,968)	₩ -
Sama Aluminium Co., Ltd.	46,257	-	(150)	(711)	-	-	-	45,396
Nexpo Co., Ltd.	2,186	1,900	-	(255)	-	-	-	3,831
Bricks Capital Management Global Battery Private Equity Fund I	12,843	5,761	-	(5,442)	-	-	-	13,162
	₩223,559	₩ 7,661	₩ (150)	₩ (49,118)	₩ 15,209	₩ (37,804)	₩ (96,968)	₩ 62,389

(*1) Although the ownership is less than 20%, the Group has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement. Under the terms of the agreement, the Group holds the right to request the sale of its held shares if events, such as the termination of the shareholders' agreement or the master purchase agreement occurs.
(*2) Although the ownership is less than 20%, the Group has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement. Under the terms of the agreement, the Group holds the right to request the sale of its held shares if events, such as the termination of the shareholders' agreement or the master purchase agreement occurs.
(*3) During the current period, the Group newly acquired 10% of Jeju Bukchon BESS Power Plant Co., Ltd. for ₩900 million. Although the ownership is less than 20%, the Group has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement. Under the terms of the agreement, if a particular investor is excluded from the shareholders' agreement due to a breach of contract or other matters, the other investors may purchase the excluded investor's shares.
(*4) During the current period, the Group newly acquired 20% of PT LBM Energi Baru Indonesia for ₩22,107 million. Under the terms of the agreement, the Group holds the right to request the sale of its held shares if events, such as the termination of the shareholders' agreement or the master purchase agreement occurs. If the shareholders' agreement is terminated due to reasons attributable to the Group, the controlling shareholder has the right to purchase the shares held by the Group.
(*5) During the prior period, the Group reclassified PT. HLI Green Power from a joint venture to a subsidiary due to amendments in the shareholders' agreement.

(2) As of September 30, 2025, and December 31, 2024, the processes of adjusting the financial information to the carrying amounts of shares in associates are as follows (Korean won in millions):

	September 30, 2025				
	Net assets	**Group's percentage of ownership**	**Net asset value for shares**	**Internal transactions and others**	**Carrying amount**
Sama Aluminium Co., Ltd.	₩ 229,699	10.2	₩ 23,429	₩ 20,497	₩ 43,926
Nexpo Co., Ltd.	30,782	19.0	5,849	94	5,943
Bricks Capital Management Global Battery Private Equity Fund	22,514	59.9	13,486	(62)	13,424
Jeju Bukchon BESS Power Plant Co., Ltd.	7,587	10.0	759	30	789
PT LBM Energi Baru Indonesia	110,623	20.0	22,125	266	22,391
	₩ 401,205		₩ 65,648	₩ 20,825	₩ 86,473

	December 31, 2024				
	Net assets	**Group's percentage of ownership**	**Net asset value for shares**	**Internal transactions and others**	**Carrying amount**
Sama Aluminium Co., Ltd.	₩ 243,665	10.2	₩ 24,854	₩ 20,542	₩ 45,396
Nexpo Co., Ltd.	20,270	19.0	3,851	(20)	3,831
Bricks Capital Management Global Battery Private Equity Fund	22,345	59.9	13,385	(223)	13,162
	₩ 286,280		₩ 42,090	₩ 20,299	₩ 62,389

11. PROPERTY, PLANT AND EQUIPMENT:

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

	2025	2024
Beginning	₩ 38,349,552	₩ 23,654,677
Acquisition	8,254,130	14,117,515
Replacement	(253,871)	(469,135)
Disposal	(50,644)	(374,332)
Exchange differences	(991,903)	3,270,441
Depreciation	(2,447,894)	(2,849,445)
Business combination	-	1,026,339
Impairment	(9,426)	(26,508)
Impairment reversal	4,698	-
Ending	₩ 42,854,642	₩ 38,349,552

(2) The current-year ending balances of property, plant and equipment include ₩20,661,591 million of construction in progress as of September 30, 2025, and some of it will subsequently be transferred to intangible assets (as of December 31, 2024, was ₩20,350,068 million).

(3) The Group capitalized ₩64,386 million of borrowing costs in relation to acquisition of property, plant and equipment (for the nine-month period ended September 30, 2024, was ₩75,184 million). The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 4.67% (for the nine-month period ended September 30, 2024, was 4.37%).

(4) Line items, including depreciation, in the interim condensed consolidated statements of profit or loss for the three-month and nine-month periods ended September 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Nine months	Three months	Nine months
Cost of sales	₩ 758,501	₩ 2,207,536	₩ 685,973	₩ 1,891,464
Selling and administrative expenses	88,281	240,358	56,636	156,974
	₩ 846,782	₩ 2,447,894	₩ 742,609	₩ 2,048,438

(5) Lease

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

Details of amounts recognized in the interim condensed consolidated statements of financial position in relation to lease for the nine-month periods ended September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Right-of-use assets (*):		
Real estate	₩ 393,207	₩ 331,260
Machinery	582	733
Vehicles	11,466	16,369
Tools	3,468	4,068
Equipment	911	1,110
	₩ 409,634	₩ 353,540

(*) Included in 'Property, plant and equipment' in the interim condensed consolidated statements of financial position.

Additions to the right-of-use assets for the nine-month period ended September 30, 2025, are ₩139,064 million (for the nine-month period ended September 30, 2024, were ₩247,158 million).

		September 30, 2025		December 31, 2024
Lease liabilities (*):				
Current	₩	97,087	₩	77,154
Non-current		297,225		258,952
	₩	394,312	₩	336,106

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

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

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Depreciation of right-of-use assets:				
Real estate	₩ 20,924	₩ 59,254	₩ 17,239	₩ 43,396
Machinery	82	278	118	239
Vehicles	2,366	7,290	2,413	7,317
Tools	293	879	326	929
Equipment	87	270	70	205
	₩ 23,752	₩ 67,971	₩ 20,166	₩ 52,086
Interest expense relating to lease liabilities (included in finance cost)	₩ 3,813	₩ 11,687	₩ 3,135	₩ 5,444
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	4,213	20,970	9,080	18,555
Expense relating to leases of low-value assets that are not short-term leases (included in cost of goods sold and administrative expenses)	1,823	5,561	1,967	5,784

Total cash outflow for leases for the nine-month period ended September 30, 2025, is ₩102,960 million (for the nine-month period ended September 30, 2024, was ₩79,086 million).

12. INTANGIBLE ASSETS:

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

	2025	2024
Beginning	₩ 1,284,576	₩ 875,993
Acquisition	108,768	119,627
Replacement	262,054	324,681
Disposal	(12,612)	(10,639)
Exchange differences	(5,701)	16,165
Amortization	(204,084)	(189,739)
Business combination	-	149,067
Impairment	(192)	(579)
Ending	₩ 1,432,809	₩ 1,284,576

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Cost of sales	₩ 11,220	₩ 35,438	₩ 15,273	₩ 38,714
Selling and administrative expenses	57,889	168,646	33,538	95,131
	₩ 69,109	₩ 204,084	₩ 48,811	₩ 133,845

(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 (ton 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 amount of 300,000 tons 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 rights (included in other intangible assets) for the nine-month period ended September 30, 2025, and 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	(2)	-	-	-
Borrowing/Carried over	(9)	-	9	-
Government submission	(408)	-	-	-
Ending	-	₩ -	306	₩ -

	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	-	₩ -	297	₩ -	297	₩ -

3) Based on the European Union Emission Trading System, changes in greenhouse gas emission rights (included in other intangible assets) for the nine-month period ended September 30, 2025, and the year ended December 31, 2024, are as follows (ton in thousands and Korean won in millions):

	2025		2024	
	Ton	Amount	Ton	Amount
Beginning	112	₩ 11,568	153	₩ 13,809
Increase	65	5,583	74	6,120
Usage	(111)	(10,388)	(115)	(8,361)
Ending	66	₩ 6,763	112	₩ 11,568

13. OTHER CURRENT AND NON-CURRENT ASSETS:

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

	September 30, 2025		December 31, 2024	
Current:				
Prepayments	₩	175,806	₩	177,606
Prepaid expenses		219,102		88,634
Prepaid value-added taxes		96,889		204,939
Current costs to fulfill a contract		39,409		110,316
Others		623,658		625,869
	₩	1,154,864	₩	1,207,364
Non-current:				
Long-term prepayments	₩	130,791	₩	120,077
Long-term prepaid expenses		46,283		141,842
Net defined benefit assets		84,797		142,766
Costs to fulfill a contract		659,091		218,627
Others		84		78
	₩	921,046	₩	623,390

14. BORROWINGS:

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

	September 30, 2025		December 31, 2024	
Current:				
Short-term borrowings	₩	2,997,213	₩	1,291,015
Current portion of long-term borrowings		2,557,944		997,160
Current portion of debentures		1,308,525		124,911
Current lease liabilities		97,087		77,154
	₩	6,960,769	₩	2,490,240
Non-current:				
Long-term borrowings	₩	4,861,518	₩	4,865,830
Debentures		10,608,951		7,775,529
Non-current lease liabilities		297,225		258,952
		15,767,694		12,900,311
	₩	22,728,463	₩	15,390,551

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

1) Short-term borrowings (Korean won in millions):

	Bank	Interest rate (%)	Longest maturity date	September 30, 2025		December 31, 2024	
Bank loans	Citibank and others	2.63-5.48	09.23.2026	₩	2,997,213	₩	1,291,015

2) Long-term borrowings (Korean won in millions):

	September 30, 2025					
	Bank	Interest rate (%)	Latest maturity date	Amount	Current portion	Non-current portion
Borrowings in local currencies	Korea Exim Bank	3M Market yield on Supply Chain Resilience Fund + 0.34	07.02.2029	₩ 269,656	₩ -	₩ 269,656
	Shinhan Capital	4.20	07.21.2028	1,091	-	1,091
Borrowings in foreign currencies	ANZ/HSBC/JPM and others	3M SOFR + 0.70	10.25.2032	860,019	860,019	-
	DBS	6M EURIBOR + 0.90–1.00	05.24.2026	328,874	328,874	-
	EBRD	6M EURIBOR + 0.62	10.15.2026	106,884	106,884	-
	EIB	3M EURIBOR + 0.47	03.31.2027	263,099	263,099	-
	EDC and others	3M SOFR + 1.30	12.20.2029	1,794,816	-	1,794,816
	GM Holdings LLC(*)	5.70	04.30.2030	2,334,407	146,402	2,188,005
	KDB/Exim/ Nonghyup	3M EURIBOR + 0.89–1.04	04.26.2027	1,172,641	834,517	338,124
	KDB/Exim/ Nonghyup and others	3M SOFR + 1.62	12.21.2030	248,715	-	248,715
	SMBC	0.48	02.04.2027	24,666	16,444	8,222
	China	LPR(1Y) - 0.66	11.19.2027	14,142	1,489	12,653
	China Construction Bank	LPR(1Y) - 0.66	12.26.2027	452	216	236
				₩ 7,419,462	₩ 2,557,944	₩ 4,861,518

(*) During the current period, GM Holdings LLC repaid the Group's loan from the U.S. Department of Energy ("DOE").

	December 31, 2024					
	Bank	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion
Borrowings in foreign currencies	ANZ/HSBC/JPM and others	3M SOFR + 0.70	10.25.2032	₩ 897,958	₩ -	₩ 897,958
	DBS	3M EURIBOR + 0.90 6M EURIBOR + 1.00	05.24.2026	305,374	-	305,374
	DOE	3.65–4.55	12.15.2031	2,544,236	176,436	2,367,800
	EBRD	6M EURIBOR + 0.62	10.15.2026	137,418	76,343	61,075
	EIB	3M EURIBOR + 0.47	03.31.2027	407,166	162,867	244,299
	KDB/Exim/ Nonghyup	3M EURIBOR + 0.89–1.04	04.26.2027	1,458,866	564,942	893,924
	KDB/Exim Nonghyup and others	3M SOFR + 1.62	12.20.2030	65,226	-	65,226
	SMBC	0.48	02.04.2027	34,355	15,269	19,086
	China	LPR(1Y) - 0.30	11.19.2027	11,930	1,193	10,737
	China Construction Bank	LPR(1Y) - 0.66	12.26.2027	461	110	351
				₩ 5,862,990	₩ 997,160	₩ 4,865,830

The Group has entered into long-term borrowings 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 half-year or full fiscal year. As of the end of the current period, the relevant amount is ₩5.7 trillion, and the Group was in compliance with the financial covenants associated with the non-current portion of its long-term borrowings.

3) Debentures (USD in thousands and Korean won in millions):

	September 30, 2025					
	Financial institution	**Interest rate (%)**	**Latest maturity date**	**Amount**	**Current portion**	**Non-current portion**
1st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	03.13.2026	₩ 200,000	₩ 200,000	₩ -
2-2nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	06.29.2026	370,000	370,000	-
2-3rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	06.29.2028	505,000	-	505,000
3-1st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	02.16.2026	180,000	180,000	-
3-2nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	02.16.2027	660,000	-	660,000
3-3rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	02.16.2029	570,000	-	570,000
3-4th Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.202	02.16.2031	190,000	-	190,000
4-1st Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.138	02.14.2027	640,000	-	640,000
4-2nd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.228	02.14.2028	590,000	-	590,000
4-3rd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.247	02.14.2030	310,000	-	310,000
4-4th Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.406	02.14.2032	60,000	-	60,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	3.625	04.15.2029	701,100 (USD 500,000)	-	701,100
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.625	09.25.2026	560,880 (USD 400,000)	560,880	-
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.750	09.25.2028	841,320 (USD 600,000)	-	841,320
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	07.02.2027	981,540 (USD 700,000)	-	981,540
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	07.02.2029	1,121,760 (USD 800,000)	-	1,121,760
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.500	07.02.2034	701,100 (USD 500,000)	-	701,100
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.250	04.02.2028	560,880 (USD 400,000)	-	560,880
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	04.02.2030	841,320 (USD 600,000)	-	841,320
USD foreign currency debenture (non-guaranteed)	Citibank and others	3M Compound SOFR + 1.700	04.02.2030	420,660 (USD 300,000)	-	420,660
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.875	04.02.2035	981,540 (USD 700,000)	-	981,540
Less: discount on debentures	-	-	-	(69,624)	(2,355)	(67,269)
				₩ 11,917,476	₩1,308,525	₩ 10,608,951

	December 31, 2024					
	Financial institution	**Interest rate (%)**	**Longest maturity date**	**Amount**	**Current portion**	**Non-current portion**
1st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	03.13.2026	₩ 200,000	₩ -	₩ 200,000
2-1st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.097	06.29.2025	125,000	125,000	-
2-2nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	06.29.2026	370,000	-	370,000
2-3rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	06.29.2028	505,000	-	505,000
3-1st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	02.16.2026	180,000	-	180,000
3-2nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	02.16.2027	660,000	-	660,000
3-3rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	02.16.2029	570,000	-	570,000
3-4th Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.202	02.16.2031	190,000	-	190,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	3.625	04.15.2029	735,000 (USD 500,000)	-	735,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.625	09.25.2026	588,000 (USD 400,000)	-	588,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.750	09.25.2028	882,000 (USD 600,000)	-	882,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	07.02.2027	1,029,000 (USD 700,000)	-	1,029,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.375	07.02.2029	1,176,000 (USD 800,000)	-	1,176,000
USD foreign currency debenture (non-guaranteed)	Citibank and others	5.500	07.02.2034	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 Group 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.

4) Lease liabilities (Korean won in millions):

	September 30, 2025				
	Interest rate (%)	**Longest maturity date**	**Amount**	**Current portion**	**Non-current portion**
Baeksan industry and others	0.67–8.42	11.15.2053	₩ 394,312	₩ 97,087	₩ 297,225

	December 31, 2024				
	Interest rate (%)	**Longest maturity date**	**Amount**	**Current portion**	**Non-current portion**
Baeksan industry and others	0.67–8.42	11.15.2053	₩ 336,106	₩ 77,154	₩ 258,952

15. PROVISIONS:

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

	September 30, 2025							
	Warranty (*1)		Greenhouse gas emission(*2)		Other provisions (*3)		Total	
Beginning	₩	1,693,916	₩	11,168	₩	118,070	₩	1,823,154
Provision transfer		446,559		7,859		785		455,203
Used		(313,636)		(10,660)		-		(324,296)
Ending		1,826,839		8,367		118,855		1,954,061
Less: current portion		(793,926)		(8,367)		(110,034)		(912,327)
	₩	1,032,913	₩	-	₩	8,821	₩	1,041,734

	December 31, 2024							
	Warranty (*1)		Greenhouse gas emission(*2)		Other provisions (*3)		Total	
Beginning	₩	1,274,437	₩	8,966	₩	102,890	₩	1,386,293
Business combination		1,807		-		-		1,807
Provision transfer		1,039,336		10,733		24,357		1,074,426
Used		(621,664)		(8,531)		(9,177)		(639,372)
Ending		1,693,916		11,168		118,070		1,823,154
Less: current portion		(921,985)		(11,168)		(111,315)		(1,044,468)
	₩	771,931	₩	-	₩	6,755	₩	778,686

(*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 costs 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 Group estimates the expected future costs of emissions exceeding its emission rights for the year and recognizes them as provisions. Estimated emissions are 367 thousand tons for the nine-month period ended September 30, 2025 (for the year ended December 31, 2024, were 415 thousand tons).

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

16. NET DEFINED BENEFIT LIABILITIES (ASSETS):

(1) Details of net defined benefit liabilities (assets) as of September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Present value of defined benefit obligations (*1)	₩ 705,640	₩ 667,476
Fair value of plan assets	(790,163)	(809,839)
	₩ (84,523)	₩ (142,363)
Net defined benefit liabilities	₩ 274	₩ 403
Net defined benefit assets (*2)	(84,797)	(142,766)
	₩ (84,523)	₩ (142,363)

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

(*2) The ₩84,797 million of net defined benefit assets is included in other non-current assets as of September 30, 2025 (as of December 31, 2024, was ₩142,766 million) and the ₩274 million of net defined benefit liabilities is included in other non-current liabilities as of September 30, 2025.

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Current service cost	₩ 22,874	₩ 68,643	₩ 23,584	₩ 70,752
Interest cost	(1,463)	(4,389)	(1,813)	(5,439)
	₩ 21,411	₩ 64,254	₩ 21,771	₩ 65,313

(3) Retirement benefits recognized for defined contribution plan for the nine-month period ended September 30, 2025, amounted to ₩8,928 million (the nine-month period ended September 30, 2024, was ₩2,169 million).

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Cost of sales	₩ 7,838	₩ 23,997	₩ 10,043	₩ 30,734
Selling and administrative expenses	14,701	49,185	12,456	36,748
	₩ 22,539	₩ 73,182	₩ 22,499	₩ 67,482

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

		2025		2024
Beginning	₩	667,476	₩	673,251
Transfer in		642		2,495
Transfer out		(987)		(1,572)
Current service cost		68,643		94,277
Interest expense		20,099		31,080
Remeasurements:				
Actuarial gain from change in financial assumption		-		(69,888)
Actuarial gain from change in demographic assumption		-		1,906
Actuarial loss due to the difference between the estimated and the actual		-		(3,502)
Others		-		-
Foreign currency conversion difference		-		-
Payments from plans		(50,233)		(60,571)
Ending	₩	705,640	₩	667,476

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

		2025		2024
Beginning	₩	809,839	₩	829,521
Transfer out		(107)		(760)
Interest income		24,488		38,332
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		724		(4,941)
Contribution:				
Employer contribution to plan assets		772		706
Payments from plans		(44,430)		(51,404)
Administrative costs		(1,123)		(1,615)
Ending	₩	790,163	₩	809,839

(7) The actual return on plan assets for the nine-month period ended September 30, 2025, was ₩25,212 million (the nine-month period ended September 30, 2024, was ₩26,925 million).

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

	September 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 September 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	₩ (79,312)	₩ 94,464
Salary growth rate:		
Increase (decrease) in defined benefit liabilities	97,706	(83,096)

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 consolidated 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 September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025		December 31, 2024	
	Amount	Composition (%)	Amount	Composition (%)
Insurance contracts with guaranteed yield	₩ 790,163	100	₩ 809,839	100

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

17. OTHER CURRENT AND NON-CURRENT LIABILITIES:

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

	September 30, 2025	December 31, 2024
Current:		
Advances from customers	₩ 382,494	₩ 98,034
Withholdings	52,478	67,923
Unearned revenues	15,768	44,333
Accrued expenses and others	447,076	197,886
	₩ 897,816	₩ 408,176
Non-current:		
Long-term accrued expenses	₩ 36,656	₩ 34,494
Net defined benefit liabilities	274	403
Long-term unearned revenues	22,812	97,008
Long-term advance received	1,920,179	2,390,974
	₩ 1,979,921	₩ 2,522,879

18. COMMITMENTS AND CONTINGENCIES:

(1) The Group is jointly liable with LG Chem Ltd. for liabilities recognized before the split-off date.

(2) As of September 30, 2025, the Group has been guaranteed by Seoul Guarantee Insurance Company for the execution of contracts and others.

(3) As of September 30, 2025, the Group has various specific line of credit agreements with several financial institutions as follows (Korean won in millions and foreign currencies in millions):

		September 30, 2025	
	Currency	The Parent Company	Certain subsidiaries
Limit of overdraft facility	USD	-	70
	EUR	-	330
Limit of letter of credit	USD	12	-
Limit of discount of notes from export	USD	998	-
Limit of guaranteed payments in other foreign currency	USD	375	913
	CNY	-	560
	PLN	-	311
	CAD	-	6
Business-to-business purchase arrangements	USD	-	310
General loan agreements	KRW	125,000	-
	CNY	-	1,390
	USD	-	8,093
	CNY	-	8,030
	EUR	-	2,144
Derivatives	KRW	1,220,000	-
	USD	2,805	620
	EUR	-	210
	KRW	400,000	30,000
Factoring arrangements	USD	-	500
	KRW	100,000	-

(4) As of September 30, 2025, the Group has entered into payment guarantee contracts of USD 30 million and EUR 2 million with financial institutions in relation to product warranty for certain installed products. Also, certain subsidiaries have entered into payment guarantee contracts of CNY 44 million with financial institutions in relation to customs clearance of imported raw materials.

(5) As of September 30, 2025, the Group has entered into an arrangement with General Motors (“GM”) regarding joint investment in Ultium Cells Holdings LLC and Ultium Cells LLC, whereby each party can sell its shares to third parties in eight years after the inception of the contract. In addition, if one party defaults, the other party has the right to purchase shares from the other party. In this regard, the Group has completed the government's approval process for the use of core technologies in accordance with the Industrial Technology Protection Act. Also, the Group has decided to provide a payment guarantee of USD 895 million to the joint venture, determined by its proportionate ownership of the borrowed amount of USD 1,790 million. The loan is secured by security interests over Ultium Cells LLC’s assets.

(6) The Group has been sued and related in six class actions by consumers in relation to the sales of mobile batteries and GM Bolt EV and others, and actions are still in process as of September 30, 2025. The Group has also filed two lawsuit cases (amounted to USD 90 million and ₩503 million) and been sued in 57 other cases (amounted to USD 157 million and ₩2,161 million). The ultimate outcome of these pending cases cannot be determined at the reporting date.

(7) The Group has entered into a license agreement with LG Corp. to use trademarks on the products that it manufactures and sells, and on the services it provides in relation to its business.

(8) As of September 30, 2025, the Group 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 September 30, 2025. Also, the Group 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 September 30, 2025, the Group 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 the end of September 30, 2025. In addition, if one party defaults, the other party has the right to purchase shares from the other party. Also, the Group 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 September 30, 2025, the Group has entered into a joint venture agreement with HMG Global LLC and has contributed USD 1,084 million as of the end of September 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 September 30, 2025, the Group has entered into an agreement of USD 2,048 million for the construction of the new facility of LG Energy Solution Arizona, Inc.

(12) The consolidated subsidiaries, LG Energy Solution Michigan Inc. and Ultium Cells LLC, have entered into an asset transfer agreement in March 2025. LG Energy Solution Michigan Inc. acquired assets related to Ultium Cells LLC's third plant for USD 2,154 million. Ultium Cells LLC is obligated to pay a portion of the transaction amount to the non-controlling interests of the consolidated company, and the outstanding balance of this obligation amounted to USD 928 million as of September 30, 2025.

(13) Capital expenditure arrangements that have not been incurred as of September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Property, plant and equipment	₩ 5,445,628	₩ 9,319,087

(14) Investment commitments as of September 30, 2025, are as follows (Korean won in millions and USD in million):

	Currency	Contractual amount	Total investments	Remaining amount
BNZ (Beyond Net Zero) Fund	USD	75	52	23
Secondary Battery Growth Fund	KRW	6,700	4,677	-
KBE (Korea Battery ESG) Fund	KRW	75,000	47,727	13,013
BCM Global Battery Fund	KRW	30,000	19,587	10,413
Yonsei Technology Holdings IP Fund	KRW	3,000	2,040	960

19. SHARE CAPITAL:

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

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

20. RETAINED EARNINGS:

Details of retained earnings as of September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

		September 30, 2025		December 31, 2024
Unappropriated retained earnings	₩	1,183,690	₩	1,397,211

21. OPERATING PROFITS:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Revenue	₩ 5,699,873	₩ 17,530,276	₩ 6,877,843	₩ 19,168,423
Cost of sales	4,252,880	14,069,070	5,620,828	16,294,517
Gross profit	1,446,993	3,461,206	1,257,015	2,873,906
Other operating income (*)	365,496	1,313,973	465,974	1,102,722
Selling and administrative expenses:				
Wages and salaries	₩ 275,486	₩ 802,426	₩ 231,726	₩ 661,865
Retirement benefits	14,701	49,185	12,456	36,748
Employee benefits	59,091	186,042	57,430	171,156
Travel expenses	13,496	49,337	16,623	48,308
Water and utilities	29,224	78,835	22,806	63,097
Rental expenses	11,893	31,909	10,355	35,476
Commission expenses	192,521	530,551	148,833	382,216
Depreciation	89,777	244,835	58,148	161,469
Advertising expenses	6,858	19,834	10,837	27,243
Freight expenses	11,424	63,384	34,897	65,038
Training expenses	5,868	14,649	6,686	21,251
Amortization	57,889	168,646	33,538	95,131
Sample expenses	1,140	3,046	2,748	7,631
Development costs	113,072	226,377	50,371	147,261
Addition to warranty provisions	178,390	446,559	336,728	748,160
Others	150,350	391,423	240,548	503,663
	1,211,180	3,307,038	1,274,730	3,175,713
Operating profits	₩ 601,309	₩ 1,468,141	₩ 448,259	₩ 800,915

(*) Under the Advanced Manufacturing Production Tax Credit of the U.S. Inflation Reduction Act, effective January 1, 2023, the tax credit can be received for battery cells/modules produced and sold in the U.S., and the amount above is expected to be received by the Group for the year ended September 30, 2025.

(2) Consolidated revenue of the Group consists of sales of battery-related products and service sales, such as research and development, most of which are recognized at a time in relation to the sales of goods.

22. CLASSIFICATION OF EXPENSES BY NATURE:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Changes in inventories of merchandise, finished goods, semifinished goods and work in process	₩ (653,303)	₩ (65,955)	₩ (47,268)	₩ 236,261
Raw materials and consumables used	2,682,575	8,333,358	3,427,758	10,043,264
Purchase of merchandise	324,096	723,593	304,118	871,663
Employee benefit expenses	719,419	2,117,533	691,873	2,122,304
Advertising expenses	7,211	20,747	11,200	28,288
Freight expenses	16,091	75,404	41,752	79,114
Commission expenses	408,864	1,170,048	369,640	926,695
Depreciation and amortization	917,387	2,656,455	792,932	2,186,778
Rent expenses and usage fee	10,487	31,239	-	21,847
Transfers to provisions for service warranties	178,390	446,559	336,728	748,160
Other expenses	852,843	1,867,127	966,825	2,205,856
	₩ 5,464,060	₩ 17,376,108	₩ 6,895,558	₩ 19,470,230

23. EMPLOYEE BENEFIT EXPENSES:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Wages and salaries	₩ 594,288	₩ 1,730,175	₩ 562,081	₩ 1,715,713
Retirement benefits: Defined benefit plan	21,411	64,254	21,771	65,313
Retirement benefits: Defined contribution plan	1,128	8,928	728	2,169
Others	102,592	314,176	107,293	339,109
	₩ 719,419	₩ 2,117,533	₩ 691,873	₩ 2,122,304

24. FINANCE INCOME AND COSTS:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Finance income:				
Interest income (*1)	₩ 55,484	₩ 171,018	₩ 57,362	₩ 169,919
Dividends income	-	101	-	198
Exchange differences	(208,206)	573,908	194,214	379,591
Gain on derivative instruments	68	1,702	(99,214)	90,197
Gain on disposal of financial assets at FVPL	-	-	502	728
	₩ (152,654)	₩ 746,729	₩ 152,864	₩ 640,633
Finance costs:				
Interest expense (*2)	₩ 229,331	₩ 626,461	₩ 165,835	₩ 395,807
Exchange differences	28,383	231,049	(63,415)	240,707
Loss on derivative instruments	(352,795)	296,032	110,315	110,315
Loss on valuation of financial assets at FVPL	3,205	3,205	-	-
	₩ (91,876)	₩ 1,156,747	₩ 212,735	₩ 746,829

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Cash and cash equivalents and others	₩ 44,853	₩ 124,032	₩ 46,373	₩ 131,222
Financial assets at FVPL	3,735	20,557	-	-
Other loans and receivables	6,896	26,429	10,989	38,697
	₩ 55,484	₩ 171,018	₩ 57,362	₩ 169,919

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Interest on financial institutions	₩ 121,024	₩ 288,523	₩ 109,146	₩ 270,418
Interest on financial lease liabilities	3,813	11,687	3,135	5,444
Interest on debentures	123,031	332,136	84,530	190,126
Other interest expenses	3,500	58,501	1,382	5,003
Capitalized interest for qualifying assets	(22,037)	(64,386)	(32,358)	(75,184)
	₩ 229,331	₩ 626,461	₩ 165,835	₩ 395,807

25. OTHER NON-OPERATING INCOME:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Exchange differences	₩ 17,686	₩ 369,592	₩ 66,476	₩ 377,583
Others	7,634	28,752	111,753	125,170
	₩ 25,320	₩ 398,344	₩ 178,229	₩ 502,753

26. OTHER NON-OPERATING EXPENSES:

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Exchange differences	₩ (37,989)	₩ 471,090	₩ 150,416	₩ 321,758
Loss on disposal of property, plant and equipment	24,767	46,883	60,345	143,484
Impairment of property, plant and equipment	5,413	9,425	(3,117)	3,078
Loss on disposal of intangible assets	148	3,654	614	1,031
Impairment of intangible assets	85	161	-	(69)
Donations	235	527	325	6,031
Others	19,576	32,503	16,590	25,217
	₩ 12,235	₩ 564,243	₩ 225,173	₩ 500,530

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 (losses) per share are calculated by dividing the earnings (losses) attributable to ordinary shares of the Parent Company by weighted-average number of shares issued.

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

	2025		2024	
	Three months	Nine months	Three months	Nine months
Losses attributable to ordinary shares of the Parent Company	₩ 247,180	₩ (196,006)	₩ 133,156	₩ (339,080)
Weighted-average number of ordinary shares outstanding	234,000,000	234,000,000	234,000,000	234,000,000
Basic losses per ordinary share (in Korean won)	₩ 1,056	₩ (838)	₩ 569	₩ (1,449)

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

29. DIVIDEND:

Foreign subsidiaries of the Group paid ₩1,389,281 million dividends for the accounting period ended September 30, 2025.

30. RELATED-PARTY TRANSACTIONS:

(1) As of September 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 Group, or have receivable and payable balances, other than associates and joint ventures (see Note 10) as of September 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	Subsidiary of LG Corp.
LG CNS Co., Ltd.	Biz Tech I Co., Ltd. and others	LG CNS America Inc. and others	
LG Management Development Institute			
LG Display Co., Ltd.	Nanum nuri 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.	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 included within the scope of related parties under K-IFRS 1024, they belong to a large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.
(*2 Although the Group holds the right to appoint directors and thereby exercises significant influence, the investment is classified as financial assets at fair value through profit or loss ("FVPL") in consideration of the nature of the shares held.

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

	2025				
		Purchase and others			
	Sales and others	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Interest expense	Others
Parent:					
LG Chem Ltd.	₩ 4,379	₩ 646,434	₩ -	₩ 5	₩ 1,856
Associates:					
Sama Aluminium	-	23,778	192	-	26
Mintech Co., Ltd.	-	-	292	-	-
Nexpo Co., Ltd.	-	29	-	-	-
PT LBM ENERGI BARU INDONESIA	4,875	45,000	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	27,293
LG Chem (China) Investment Co., Ltd.	-	-	-	-	94
HAENGBOKNURI CO., LTD.	4	-	-	-	328
Uniseal, Inc.	-	-	-	-	11
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	282,182	-	-	-
LG HY BCM Co., Ltd.	-	403,491	-	-	125
Techwin, Inc.	-	-	69,362	-	58
LG Chem Poland Sp. z o.o.	-	69,814	-	-	-
LG Management Development Institute	-	-	-	-	19,273
D&O Co., Ltd. and its subsidiaries	66	-	17,700	-	3,165
LG CNS Co., Ltd. and its subsidiaries	25,616	633	511,413	-	171,294
Others	-	-	-	-	1,389
Others:					
LG Display Co., Ltd. and its subsidiaries	-	-	-	1	-
LG Electronics Inc. and its subsidiaries	132,494	165,180	495,545	95	163,996
Others	21	118	118	15	3,185
	₩ 167,455	₩ 1,636,659	₩ 1,094,622	₩ 116	₩ 392,093

	2024				
		Purchase and others			
	Sales and others	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Interest expense	Others
Parent:					
LG Chem Ltd.	₩ 5,074	₩ 1,433,950	₩ -	₩ 15	₩ 12,825
Associates and joint ventures:					
PT. HLI Green Power (*1)	38,094	363	-	-	6,393
Sama Aluminium	-	31,173	-	-	-
Nexpo Co., Ltd.	-	60	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	29,412
LG Chem (China) Investment Co., Ltd.	-	-	-	-	151
LG Chem Europe GmbH	-	-	-	-	8
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	932,083	-	-	-
LG HY BCM Co., Ltd.	-	491,544	-	-	-
Techwin, Inc.	-	-	1,445	-	33
LG Chem Poland Sp. z o.o.	-	132,206	-	-	-
LG Management Development Institute	-	-	-	-	25,602
D&O Co., Ltd. and its subsidiaries	64	-	17,500	-	3,163
LG CNS Co., Ltd. and its subsidiaries	20,145	33	467,348	-	137,960
Others	-	-	140	-	1,573
Others:					
LG Display Co., Ltd. and its subsidiaries	-	-	-	7	-
LG Electronics Inc. and its subsidiaries	126,785	124,857	731,608	-	26,889
Xi C&A and its subsidiaries(*2)	-	2,725	44,655	-	2,701
S&I Corporation(*2)	-	3,027	7,610	-	18,230
Others	29	-	179	13	2,393
	₩ 190,191	₩ 3,152,021	₩ 1,270,485	₩ 35	₩ 267,333

(*1) The Group reclassified PT. HLI Green Power from a joint venture to a subsidiary during the previous quarter due to a change in the shareholders' agreement. The above amount pertains to transactions prior to the reclassification.
(*2) The Group has been excluded from the large enterprise group after their separation from LG Group during the nine-month period ended September 30, 2024. The amount includes transactions before the separation.

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

	September 30, 2025						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem Ltd.	₩ 624	₩ -	₩ 624	₩ 113,550	₩ 124	₩ 10,929	₩ 124,603
Associates:							
Sama Aluminium	-	-	-	1,624	-	11	1,635
Mintech Co., Ltd.	-	-	-	-	-	139	139
Nexpo Co., Ltd.	-	4,875	4,875	44,650	-	11	44,661
Other related parties:							
LG Corp.	-	2,820	2,820	-	-	-	-
LG Chem (Taiwan), Ltd.	-	-	-	-	-	1	1
LG Chem (China) Investment Co., Ltd.	-	-	-	-	-	72	72
HAENGBOKNURI CO., LTD.	-	-	-	-	-	70	70
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	2	2	104	-	-	104
LG HY BCM Co., Ltd.	-	-	-	64,792	-	1,543	66,335
Techwin, Inc.	-	-	-	-	-	39,124	39,124
LG Chem Poland Sp. z o.o.	-	-	-	12,127	-	-	12,127
LG Management Development Institute	-	-	-	-	-	750	750
D&O Co., Ltd. and its subsidiaries	-	-	-	-	-	4,698	4,698
LG CNS Co., Ltd. and its subsidiaries	10,818	-	10,818	-	-	331,667	331,667
Others	-	-	-	-	-	128	128
Others:							
LG Display Co., Ltd. and its subsidiaries	-	-	-	-	-	1	1
LG Electronics Inc. and its subsidiaries (*)	71,413	9,023	80,436	20,996	6,935	129,811	157,742
Others	-	815	815	-	2,199	2,317	4,516
	₩ 82,855	₩ 17,535	₩ 100,390	₩ 257,843	₩ 9,258	₩ 521,272	₩ 788,373

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

	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	₩ 353,330	₩ 550	₩ 4,111	₩ 357,991
Associates and joint ventures:							
Sama Aluminium	-	-	-	8,627	-	22	8,649
Nexpo Co., Ltd.	-	-	-	17	-	-	17
Other related parties:							
LG Corp.	-	22,043	22,043	-	-	-	-
LG Chem (Taiwan), Ltd.	-	-	-	-	-	6	6
LG Chem (China) Investment Co., Ltd.	-	-	-	-	-	37	37
HAENGBOKNURI CO., LTD.	-	-	-	-	-	99	99
LEYOU NEW ENERGY MATERIALS(WUXI) Co., Ltd.	-	4	4	211,239	-	-	211,239
LG HY BCM Co., Ltd.	-	-	-	91,223	-	1,050	92,273
Techwin, Inc	-	-	-	-	-	302	302
LG Chem Poland Sp. z o.o.	-	-	-	37,626	-	-	37,626
LG Management Development Institute	-	-	-	-	-	750	750
D&O Co., Ltd. and its subsidiaries	-	-	-	-	-	4,887	4,887
LG CNS Co., Ltd. and its subsidiaries	5,149	5	5,154	-	-	443,178	443,178
Others	-	-	-	-	-	117	117
Others:							
LG Display Co., Ltd. and its subsidiaries	-	-	-	-	63	18	81
LG Electronics Inc. and its subsidiaries (*)	37,092	2,256	39,348	16,242	-	321,485	337,727
Others	-	559	559	-	335	5,191	5,526
	₩ 42,241	₩ 33,511	₩ 75,752	₩ 718,304	₩ 948	₩ 781,253	₩ 1,500,505

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

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

	2025						
				Loan transactions		Borrowing transactions (*)	
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan	Repayment	Borrowing	Repayment
Parent:							
LG Chem Ltd.	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 367
Associates:							
Sama Aluminium	38	-	-	-	-	-	-
Nexpo Co., Ltd.	-	-	2,375	-	-	-	-
Bricks Capital Management Global Battery Private Equity Fund I	-	-	445	-	-	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	-	-	900	-	-	-	-
PT LBM ENERGI BARU INDONESIA	-	-	22,107	-	-	-	-
Others:							
LG DISPLAY AMERICA, INC.	-	-	-	-	-	-	60
LG Electronics Inc.	-	-	-	-	-	10,226	3,373
LG Household & Health Care	-	-	-	-	-	2,308	516
	₩ 38	₩ -	₩ 25,827	₩ -	₩ -	₩ 12,534	₩ 4,316

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

	2024						
				Loan transactions		Borrowing transactions (*)	
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan	Repayment	Borrowing	Repayment
Parent:							
LG Chem Ltd.	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 397
Associates and joint ventures:							
Sama Aluminium	150	-	-	-	-	-	-
Nexpo Co., Ltd.	-	-	1,900	-	-	-	-
Bricks Capital Management Global Battery Private Equity Fund I	-	-	5,761	-	-	-	-
Others:							
LG DISPLAY AMERICA, INC.	-	-	-	-	-	-	147
LG Household & Health Care	-	-	-	-	-	-	491
	₩ 150	₩ -	₩ 7,661	₩ -	₩ -	₩ -	₩ 1,035

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

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

	2025	2024
Short-term employee benefits	₩ 61,151	₩ 25,601
Retirement benefits	4,669	7,581
	₩ 65,820	₩ 33,182

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

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

31. INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS:

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

	2025	2024
Profit before income tax:	₩ 890,235	₩ 653,045
Adjustments for:		
- Depreciation	2,452,371	2,052,933
- Amortization	204,084	133,845
- Retirement benefits	64,254	65,313
- Financial income	(624,013)	(524,960)
- Financial costs	1,225,576	744,123
- Foreign currency conversion differences	-	(943)
- Loss (reversal) on valuations of inventories	(23,413)	28,224
- Loss on disposal of property, plant and equipment	46,883	143,484
- Loss on disposal of intangible assets	3,654	1,031
- Impairment losses on property, plant and equipment	9,425	3,078
- Impairment losses (reversal) on intangible assets	161	(69)
- Gain on disposal of investment in an associate	-	(102,076)
- Changes in contract assets (liabilities)	18,619	37,341
- Contribution to provisions	459,200	766,313
- Other income and expenses	22,892	50,599
- Changes in inventories	(271,636)	301,768
- Changes in trade receivables	215,696	(284,233)
- Changes in other receivables	(87,401)	188,218
- Changes in other assets	(309,319)	(709,334)
- Changes in trade payables	(342,834)	(411,790)
- Changes in other payables	375,677	(283,132)
- Changes in other liabilities	(486,683)	208,828
- Changes in provisions	(324,296)	(436,536)
- Changes in net defined benefit liabilities	(5,690)	(610)
- Other cash flows from operations	(13,794)	(43,340)
Cash generated from operations	₩ 3,499,648	₩ 2,581,120

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

	2025						
	Beginning	Cash flows from financing activities	Reclassification of current portion	Amortization	Lease liabilities	Exchange differences and others	Ending
Short-term borrowings	₩ 2,365,329	₩ 615,368	₩ 2,558,213	₩ -	₩ -	₩ 113,334	₩ 5,652,244
Long-term borrowings	5,124,782	2,317,940	(2,558,213)	-	132,140	142,094	5,158,743
Debentures	7,900,440	4,377,777	-	12,146	-	(372,887)	11,917,476
	₩ 15,390,551	₩ 7,311,085	₩ -	₩ 12,146	₩ 132,140	₩ (117,459)	₩ 22,728,463

	2024						
	Beginning	Cash flows from financing activities	Reclassification of current portion	Amortization	Lease liabilities	Exchange differences and others	Ending
Short-term borrowings	₩ 2,567,561	₩ 55,003	₩ 80,522	₩ -	₩ -	₩ 950,934	₩ 3,654,020
Long-term borrowings	4,604,543	384,573	(80,522)	-	233,995	67,253	5,209,842
Debentures	3,760,184	4,330,054	-	6,048	-	(61,154)	8,035,132
	₩ 10,932,288	₩ 4,769,630	₩ -	₩ 6,048	₩ 233,995	₩ 957,033	₩ 16,898,994

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

	2025	2024
Reclassification of construction in progress	₩ 7,208,308	₩ 5,084,164
Reclassification of machinery in transit	19,077	12,534
Reclassification of debentures into current portion	1,183,614	124,866
Changes in other payables related to acquisition of property, plant and equipment and intangible assets	(1,435,756)	(15,887)
Changes in non-trade receivables related to disposal of property, plant and equipment and intangible assets	(9,470)	(128)
Changes in other non-current financial liabilities related to acquisitions of property, plant and equipment	1,063,796	699,100
Changes in other payables related to capital reduction	1,323,778	-

32. SEGMENT INFORMATION:

(1) General information about the Group's reportable segments is as follows:

Segment	Major products and services
LG Energy solution (*)	Automotive batteries, mobile batteries, ESS batteries and others

(*) The Group has determined the reporting segment as a single reporting segment based on the performance evaluation unit reported to the board of directors, who are the chief operating decision makers.

(2) Segment information on revenue and profit for the nine-month periods ended September 30, 2025 and 2024, is as follows (Korean won in millions):

	2025		2024	
	Three months	Nine months	Three months	Nine months
Total segment revenue	₩ 5,699,873	₩ 17,530,276	₩ 6,877,843	₩ 19,168,423
Revenue from external customers (*1)	5,699,873	17,530,276	6,877,843	19,168,423
Other operation income (*2)	365,496	1,313,973	465,974	1,102,722
Operating profit of reportable segment (*3)	601,309	1,468,141	448,259	800,915

(*1) Revenue from external customers consists of sales of goods. Interest income and dividend income are included in finance income.
(*2) Under the Advanced Manufacturing Production Tax Credit of the U.S. Inflation Reduction Act, effective January 1, 2023, a tax credit can be received for battery cells/modules produced and sold in the U.S., and the amount is revenue expected to be received by the Group for the nine-month period ended September 30, 2025.
(*3) Management assesses the performance of the operating segments based on a measurement of the operating profit of each segment.

(3) Segment information on assets and liabilities as of September 30, 2025, and December 31, 2024, is as follows (Korean won in millions):

	September 30, 2025			December 31, 2024		
	Assets	Investments in associates	Liabilities	Assets	Investments in associates	Liabilities
Reportable segment assets and liabilities	₩ 67,010,378	₩ 86,473	₩ 37,273,154	₩ 60,306,791	₩ 62,389	₩ 29,340,248

(4) Sales for the three-month and the nine-month periods ended September 30, 2025 and 2024, and non-current assets as of September 30, 2025, and December 31, 2024, by geographical segments, are as follows (Korean won in millions):

	Sales				Non-current assets (*1)	
	2025		2024			
	Three months	Nine months	Three months	Nine months	September 30, 2025	December 31, 2024
Korea (*2)	₩ 720,645	₩ 2,063,043	₩ 401,801	₩ 915,938	₩ 5,870,356	₩ 5,204,504
China	1,210,844	3,504,894	1,100,887	4,114,837	3,416,805	3,972,006
Asia/Oceania	246,341	758,592	190,833	634,929	1,097,607	1,238,630
America	2,757,950	7,250,990	3,270,443	8,186,784	29,341,657	24,579,109
Europe	764,093	3,952,757	1,913,879	5,315,935	4,772,500	4,865,813
	₩ 5,699,873	₩ 17,530,276	₩ 6,877,843	₩ 19,168,423	₩ 44,498,925	₩ 39,860,062

(*1) Represents the aggregate amount of property, plant and equipment; intangible assets; and investment properties.
(*2) Domestic sales include exports made through local letters of credit.

(5) For the nine-month periods ended September 30, 2025 and 2024, revenues from external customers who account for 10% or more of the Group's revenue are as follows (Korean won in millions):

	2025	2024
Customer A	₩ 3,884,313	₩ 4,969,601
Customer B	3,254,622	3,792,751
Customer C	2,224,616	1,298,590

33. ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

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

	September 30, 2025	December 31, 2024
Contract assets:		
Due from customers	₩ 85,380	₩ 77,237
	₩ 85,380	₩ 77,237
Contract liabilities:		
Advances from customers received as part of the Group`s main business activities	₩ 1,949,638	₩ 2,046,780
Expected customer incentives	9	1,535
Unearned revenue	18,559	32,099
Due to customers	34,720	7,377
	₩ 2,002,926	₩ 2,087,791

(2) Revenue recognized in relation to contract liabilities

Revenues recognized from the carried-forward contract liabilities for the three-month and the nine-month periods ended September 30, 2025 and 2024, are as follows (Korean won in millions):

	2025		2024	
	Three months	Nine months	Three months	Nine months
Revenue recognized in the current period from the beginning contract liabilities:				
Revenues in relation to advances from customers received as part of the Group's main business activities	₩ 7,557	₩ 49,568	₩ 34,400	₩ 56,379
Unearned revenue	3,387	11,056	14,294	36,815
Due to customers	157	2,646	136	625
	₩ 11,101	₩ 63,270	₩ 48,830	₩ 93,819

(3) For the nine-month period ended September 30, 2025, changes in estimates related to the total contract price and total contract costs for contracts that existed as of December 31, 2024, and that recognize revenue over time using the cost-to-cost method, along with their impact on profit or loss for the current and future periods and on contract assets (liabilities), are as follows (Korean won in millions):

Changes in estimated total contract price	Changes in estimated total contract costs	Impact on current-period profit or loss	Impact on future-period profit or loss	Changes in contract assets (liabilities)
₩ 7,551	₩ 3,149	₩ 6,364	₩ (1,962)	₩ 6,364

(4) Costs to fulfill contracts as of September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Costs to fulfill contracts	₩ 698,500	₩ 328,943

Costs to fulfill contracts represent preparation costs related to contracts with customers and are recognized as cost of sales when the Group satisfies its performance obligations. The costs to fulfill contracts recognized as cost of sales during the nine-month period ended September 30, 2025, amounted to ₩48,841 million (for the nine-month period ended September 30, 2024, was ₩39,995 million).

34. INVESTMENT PROPERTIES:

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

	September 30, 2025				December 31, 2024			
	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value
Buildings	₩ 295,070	₩ (82,370)	₩ (1,459)	₩ 211,241	₩ 309,064	₩ (81,729)	₩ (1,628)	₩ 225,707
Land	283	(15)	(35)	233	274	(12)	(35)	227
	₩ 295,353	₩ (82,385)	₩ (1,494)	₩ 211,474	₩ 309,338	₩ (81,741)	₩ (1,663)	₩ 225,934

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

	September 30, 2025		December 31, 2024	
	Land	Building	Land	Building
Beginning	₩ 227	₩ 225,707	₩ 240	₩ 212,249
Acquisition/Transfer	9	88	-	28,053
Disposal/Transfer	-	(10,080)	(9)	(7,999)
Depreciation	(3)	(4,474)	(4)	(6,596)
Ending	₩ 233	₩ 211,241	₩ 227	₩ 225,707

(3) The fair value of investment properties is measured either by independent professional appraisers with certified qualification 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 September 30, 2025, is ₩221,705 million (as of December 31, 2024, was ₩241,006 million).

Rental income from investment properties under operating lease for the nine-month period ended September 30, 2025, is ₩5,684 million, and operating expenses incurred for investment properties that generated rental income (including maintenance and repair expenses) for the nine-month period ended September 30, 2025, are ₩4,477 million.

(4) Operating lease

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

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group 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 September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	September 30, 2025	December 31, 2024
Less than one year	₩ 3,724	₩ 7,652
Between one year and two years	582	2,293
Between two years and five years	40	172
	₩ 4,346	₩ 10,117

35. BUSINESS COMBINATION:

As of August 1, 2024, due to amendments to the shareholder agreement of PT. HLI Green Power, the Group holds the majority of voting rights in the decision-making process of the entity and has the ability to affect the variable returns by engaging in the entity's production and cost management. As a result, the Group reclassified PT. HLI Green Power from joint venture to a subsidiary.

1) As of the acquisition in the prior year, the consideration transferred to PT. HLI Green Power and the fair values of the identifiable assets acquired and liabilities assumed were as follows (Korean won in millions):

		Amount
Consideration transferred:		
Fair value of the equity interest held prior to the business combination	₩	191,187
Accumulated amount of acquired assets and assumed liabilities:		
Cash and cash equivalents		59,825
Trade receivables and other receivables		118,338
Inventories		144,834
Property, plant and equipment		1,026,339
Intangible assets		149,067
Other assets		44,615
Trade payables and other payables		(293,584)
Other liabilities		(846,472)
Identifiable net assets		402,962
Non-controlling interest:		201,481
Goodwill (gain on bargain purchase):		(10,294)

2) In the prior year, the remeasurement of the equity interests held prior to the business combination at fair value resulted in a disposal gain of ₩94,218 million, which is included in other non-operating income and expenses in the consolidated statements of comprehensive income.