

LG ENERGY SOLUTION, LTD.

**Interim Condensed Separate 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)

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Report on Review of Interim Condensed Separate Financial Statements

English Translation of Independent Auditor's Review Report Originally Issued in Korean on 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 separate financial statements of LG Energy Solution, Ltd. (the "Company"). These interim condensed separate financial statements consist of the interim condensed separate statement of financial position as of September 30, 2025, and the related interim condensed separate statements of profit or loss and interim condensed separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, the interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows, all expressed in Korean won, for the 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 separate financial statements

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

Auditor's responsibility

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

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

Conclusion

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

Deloitte.

Other matters

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

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

Deloitte idnjin 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 separate financial statements and may result in modifications to this review report.

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

Interim condensed separate financial statements
as of 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 separate financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Company.”

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

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

(Korean won in millions)

	<u>Notes</u>		<u>September 30, 2025</u>		<u>December 31, 2024</u>
Assets					
Current assets					
Cash and cash equivalents	3,5,6	₩	2,160,137	₩	849,894
Trade receivables	3,5,7,29		1,983,217		2,303,799
Other receivables	3,5,7,29		1,236,009		1,015,552
Prepaid income taxes			7,097		10,478
Other current financial assets	3, 5, 8		24,607		-
Other current assets	13		151,167		185,384
Inventories	9		1,093,497		1,228,678
			<u>6,655,731</u>		<u>5,593,785</u>
Non-current assets					
Trade receivables	3,5,7		141,777		148,296
Other receivables	3,5,7,29		134,161		145,236
Other non-current financial assets	3,5,8		838,864		1,033,765
Investments in subsidiaries	10		15,187,575		13,379,517
Investments in associates	10		95,819		69,993
Deferred tax assets	27		2,087,127		1,913,174
Property, plant and equipment	11		4,547,079		4,059,252
Intangible assets	12		1,114,954		918,174
Investment properties	32		211,630		226,094
Other non-current assets	13,16		94,608		153,524
			<u>24,453,594</u>		<u>22,047,025</u>
Total assets		<u>₩</u>	<u>31,109,325</u>	<u>₩</u>	<u>27,640,810</u>
Liabilities					
Current liabilities					
Trade payables	3,5,29	₩	815,019	₩	1,114,929
Other payables	3,5,29		873,586		1,509,931
Borrowings	3,5,11,14,30		1,347,852		157,950
Other current financial liabilities	3,5,8		57,519		43,107
Provisions	15		559,317		670,990
Other current liabilities	17,31		524,186		415,566
			<u>4,177,479</u>		<u>3,912,473</u>
Non-current liabilities					
Other payables	3,5,29		4,329		2,329
Borrowings	3,5,11,14,30		10,993,705		7,804,308
Other non-current financial liabilities	3,5,8		137,159		-
Provisions	15		180,353		147,019
Other non-current liabilities	17,31		40,275		57,601
			<u>11,355,821</u>		<u>8,011,257</u>
Total liabilities			<u>15,533,300</u>		<u>11,923,730</u>
Equity					
Share capital	19		117,000		117,000
Capital surplus	19		17,589,722		17,589,722
Accumulated other comprehensive loss			(50,137)		(51,598)
Accumulated deficit	20		(2,080,560)		(1,938,044)
Total equity			<u>15,576,025</u>		<u>15,717,080</u>
Total liabilities and equity		<u>₩</u>	<u>31,109,325</u>	<u>₩</u>	<u>27,640,810</u>

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

LG Energy Solution, Ltd.

Interim condensed separate statements of profit or loss

For the three-month and nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

	Notes	September 30, 2025		September 30, 2024	
		Three months	Nine months	Three months	Nine months
Revenue	21,29,31	₩ 1,754,155	₩ 5,676,057	₩ 2,097,344	₩ 5,659,865
Cost of sales	21,22,29	<u>1,416,066</u>	<u>4,561,497</u>	<u>1,804,725</u>	<u>4,740,821</u>
Gross profit		338,089	1,114,560	292,619	919,044
Selling and administrative expenses	21,22,23,29	<u>597,850</u>	<u>1,901,699</u>	<u>1,014,155</u>	<u>2,538,942</u>
Operating loss	21	(259,761)	(787,139)	(721,536)	(1,619,898)
Finance income	5,24,29	(168,521)	618,909	85,327	457,260
Finance costs	5,24,29	(212,644)	804,759	115,095	496,675
Other non-operating income	25	308,019	1,067,741	279,739	1,059,127
Other non-operating expenses	26	<u>(15,578)</u>	<u>274,236</u>	<u>81,297</u>	<u>209,749</u>
Profit (loss) before income tax expense (benefit)		107,959	(179,484)	(552,862)	(809,935)
Income tax expense (benefit)	27	<u>27,291</u>	<u>(43,578)</u>	<u>(297,817)</u>	<u>(304,393)</u>
Profit (loss) for the period		<u>₩ 80,668</u>	<u>₩ (135,906)</u>	<u>₩ (255,045)</u>	<u>₩ (505,542)</u>
Earnings (losses) per share attributable to the equity holders of the company (in Korean won)	28				
Basic or diluted earnings (losses) per share		₩ 345	₩ (581)	₩ (1,089)	₩ (2,160)

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

LG Energy Solution, Ltd.

Interim condensed separate statements of comprehensive income

For the three-month and nine-month periods ended September 30, 2025 and 2024

(Korean won in millions)

	Notes	September 30, 2025		September 30, 2024	
		Three months	Nine months	Three months	Nine months
Profit (loss) for the period		₩ 80,668	₩ (135,906)	₩ (255,045)	₩ (505,542)
Other comprehensive income (loss):					
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	2,796	(7,358)	(6,356)	(4,706)
Income tax effect of other comprehensive income		(574)	1,485	1,677	1,494
		1,916	(5,149)	(5,647)	(5,036)
Items that may be subsequently reclassified to profit or loss:					
Gain (loss) on cash flow hedge	5	-	-	119	1,356
Income tax effect of other comprehensive income		-	-	(27)	(310)
		-	-	92	1,046
Other comprehensive income (loss) for the period, net of tax		1,916	(5,149)	(5,555)	(3,990)
Total comprehensive income (loss) for the period, net of tax		₩ 82,584	₩ (141,055)	₩ (260,600)	₩ (509,532)

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

LG Energy Solution, Ltd.

**Interim condensed separate statements of changes in equity
For the nine-month period ended September 30, 2025 and 2024**

(Korean won in millions)

	Notes	Share capital	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total
As of January 1, 2024		₩ 117,000	₩ 17,589,722	₩ (53,516)	₩ (1,051,712)	₩ 16,601,494
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(505,542)	(505,542)
Remeasurements of net defined benefit liabilities	16	-	-	-	(1,407)	(1,407)
Loss on valuation of financial assets at FVOCI		-	-	(3,629)	-	(3,629)
Gain on cash flow hedge	5	-	-	1,046	-	1,046
Total comprehensive loss for the period		-	-	(2,583)	(506,949)	(509,532)
As of September 30, 2024		₩ 117,000	₩ 17,589,722	₩ (56,099)	₩ (1,558,661)	₩ 16,091,962
As of January 1, 2025		₩ 117,000	₩ 17,589,722	₩ (51,598)	₩ (1,938,044)	₩ 15,717,080
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(135,906)	(135,906)
Remeasurements of net defined benefit liabilities	16	-	-	-	561	561
Loss on valuation of financial assets at FVOCI		-	-	(5,710)	-	(5,710)
Total comprehensive loss for the period		-	-	(5,710)	(135,345)	(141,055)
Transactions with owners of the Company recognized directly in equity:						
Disposal of financial assets at FVOCI		-	-	7,171	(7,171)	-
Total transactions with owners of the Company recognized directly in equity		-	-	7,171	(7,171)	-
As of September 30, 2025		₩ 117,000	₩ 17,589,722	₩ (50,137)	₩ (2,080,560)	₩ 15,576,025

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

LG Energy Solution, Ltd.

Interim condensed separate statements of cash flows

For the nine-month period ended September 30, 2025 and 2024

(Korean won in millions)

	<u>Notes</u>	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Cash flows from operating activities:			
Cash generated from operations	30	₩ (734,224)	₩ (163,099)
Interest received		50,916	54,777
Interest paid		(310,763)	(154,245)
Dividends received		865,684	808,660
Income tax paid		<u>(146,740)</u>	<u>(158,024)</u>
Net cash provided by operating activities		(275,127)	388,069
Cash flows from investing activities:			
Cash inflow from investing activities:			
Decrease in other receivables		-	5,000
Decrease in other non-current receivables		5,815	3,261
Proceeds from disposal of financial instruments		19,170	2,751
Proceeds from disposal of property, plant and equipment		738	2,668
Proceeds from disposal of intangible assets		2	2,353
Government grants received related to property, plant and equipment		2,000	-
Other cash inflow for investing activities		<u>2,160</u>	<u>-</u>
		29,885	16,033
Cash outflow for investing activities:			
Increase in other non-current receivables		(18,806)	(8,549)
Acquisition of investments in subsidiaries		(1,810,219)	(2,953,496)
Acquisition of investments in associates		(25,826)	(7,661)
Acquisition of financial instruments		(25,044)	(365,883)
Acquisition of property, plant and equipment		(1,069,247)	(1,052,094)
Acquisition of intangible assets		(107,424)	(82,355)
Other cash outflow for investing activities		<u>(846)</u>	<u>(2,777)</u>
		(3,057,412)	(4,472,815)
Net cash used in investing activities		(3,027,527)	(4,456,782)
Cash flows from financing activities:			
Cash inflow from financing activity:			
Increase in borrowings	30	<u>4,774,017</u>	<u>4,330,054</u>
		4,774,017	4,330,054
Cash outflow for financing activity:			
Repayment of borrowings	30	<u>(153,330)</u>	<u>(23,590)</u>
		(153,330)	(23,590)
Net cash provided by financing activities		4,620,687	4,306,464
Net increase in cash and cash equivalents		1,318,033	237,751
Cash and cash equivalents at beginning of the period		849,894	1,855,224
Effects of exchange rate changes on cash and cash equivalents		<u>(7,790)</u>	<u>13,070</u>
Cash and cash equivalents at end of the period		<u>₩ 2,160,137</u>	<u>₩ 2,106,045</u>

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

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

1. GENERAL:

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

1.1 Company Information

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

As of 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 Company is engaged in providing energy solution services.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES:

2.1 Basis of Preparation

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

2.2 Application of the Amended and Enacted Standards

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

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

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

For the three-month and nine-month periods ended September 30, 2025 and 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

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

For the three-month and nine-month periods ended September 30, 2025 and 2024

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

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

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

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

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

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

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

3. FINANCIAL RISK MANAGEMENT:

3.1 Financial Risk Factors

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

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

(1) Market risk

1) Foreign exchange risk

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

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

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

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

	<u>September 30, 2025</u>		<u>December 31, 2024</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	₩ 3,612,711	₩ 8,633,912	₩ 3,792,951	₩ 6,429,977
EUR	124,447	62,160	233,520	103,185
JPY	28,299	16,644	41,070	30,329
CNY and others	123,164	21,695	183,072	45,407

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 Company's net income as follows (Korean won in millions):

	<u>September 30, 2025</u>		<u>December 31, 2024</u>	
	<u>10% increase</u>	<u>10% decrease</u>	<u>10% increase</u>	<u>10% decrease</u>
USD	₩ (502,120)	₩ 502,120	₩ (263,703)	₩ 263,703
EUR	6,229	(6,229)	13,034	(13,034)
JPY	1,166	(1,166)	1,074	(1,074)
CNY and others	10,147	(10,147)	13,767	(13,767)

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

LG Energy Solution, Ltd.

Notes to the interim condensed separate 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

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

	Contractor	Contract amount (in millions)	Contract exchange rate	Contract inception date	Contract maturity	Book amount	
						Assets	Liabilities
Currency forward (*)	KB Kookmin Bank	USD 500	1,102.83	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	-
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 rates. The interest rate risk mainly arises through floating-rate deposits and borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty in interest rate fluctuations and net interest expense.

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

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

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

3) Price risk

The Company is exposed to price risks from equity instruments. As of September 30, 2025, the fair value of equity instruments is ₩83,192 million. With all other variables held constant, a price change in equity instruments by 10% would have changed the Company's equity by ₩8,319 million before tax.

(2) Credit risk

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

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

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

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

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

1) Trade receivables

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

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

As of September 30, 2025, the carrying amount of trade receivables representing the maximum exposure to credit risk amounts to ₩2,124,994 million (as of December 31, 2024, ₩2,452,095 million).

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2) Other financial assets at amortized cost

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

3) Debt instruments measured at FVOCI

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

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(3) Liquidity risk

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

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

	September 30, 2025			
	Less than 1 year	Between 1 year- 2 years	Between 2- 5 years	More than 5 years
Non-derivative instruments:				
Borrowings	₩ 1,880,669	₩ 2,779,642	₩ 7,606,173	₩ 2,382,267
Lease liabilities	43,481	29,909	81,899	9,230
Trade and other payables (*)	<u>1,688,605</u>	<u>1,936</u>	<u>2,392</u>	<u>-</u>
	3,612,755	2,811,487	7,690,464	2,391,497
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	(560,880)	(981,540)	(4,487,040)	(1,682,640)
Outflows	<u>535,040</u>	<u>966,560</u>	<u>4,371,825</u>	<u>1,720,590</u>
	(25,840)	(14,980)	(115,215)	37,950
	<u>₩ 3,586,915</u>	<u>₩ 2,796,507</u>	<u>₩ 7,575,249</u>	<u>₩ 2,429,447</u>
	December 31, 2024			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Non-derivative instruments:				
Borrowings	₩ 502,206	₩ 1,696,424	₩ 6,206,171	₩ 1,137,105
Lease liabilities	34,638	15,152	14,876	123
Trade and other payables (*)	<u>2,624,860</u>	<u>1,478</u>	<u>851</u>	<u>-</u>
	3,161,704	1,713,054	6,221,898	1,137,228
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	-	(588,000)	(3,822,000)	(735,000)
Outflows	<u>-</u>	<u>535,040</u>	<u>3,425,175</u>	<u>690,400</u>
	-	(52,960)	(396,825)	(44,600)
	<u>₩ 3,161,704</u>	<u>₩ 1,660,094</u>	<u>₩ 5,825,073</u>	<u>₩ 1,092,628</u>

(*) As of September 30, 2025, the carrying amount of liabilities classified as supplier financing arrangements was ₩255,584 million. (as of December 31, 2024, was ₩683,752 million) (see Note 5.(3)).

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The Company 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 Company can obtain alternative financing under similar terms.

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

	September 30, 2025			
	Less than 1 year	Between 1 year-2 years	Between 2- 5 years	More than 5 years
Financial guarantee contracts (*)	₩ 4,910,748	₩ -	₩ -	₩ -

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

(*) The Company has provided financial guarantees for subsidiaries, etc., and the amount represents the maximum amount that can be required to guarantee as of September 30, 2025, and December 31, 2024. As of September 30, 2025, the total limit amount of committed payment guarantee is ₩10,339,191 million (as of December 31, 2024, was ₩5,036,530 million) (see Note 18).

3.2 Capital Risk Management

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

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

The gearing ratio and debt-to-equity ratio as of 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)	₩ 12,341,557	₩ 7,962,258
Less: cash and cash equivalents (B)	(2,160,137)	(849,894)
Net debt (C=A+B)	10,181,420	7,112,364
Total liabilities (D)	15,533,300	11,923,730
Total equity (E)	15,576,025	15,717,080
Total capital (F=C+E)	₩ 25,757,445	₩ 22,829,444
Gearing ratio (C/F)	39.5%	31.2%
Debt-to-equity ratio (D/E)	99.7%	75.9%

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3.3 Fair Value Estimation

(1) The carrying amounts and fair values of financial instruments by category as of 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	₩ 2,160,137	(*)	₩ 849,894	(*)
Trade receivables	1,983,217	(*)	2,303,799	(*)
Other receivables (excluding deposits from financial institutions)	1,236,009	(*)	1,015,552	(*)
Current derivative financial assets (currency swap)	24,607	24,607	-	-
Financial assets (non-current):				
Trade receivables	141,777	(*)	148,296	(*)
Other receivables (excluding deposits from financial institutions)	74,147	(*)	85,222	(*)
Deposits from financial institutions	60,014	(*)	60,014	(*)
Other non-current financial assets (measured at fair value):				
Marketable financial assets	702	702	7,320	7,320
Non-marketable financial assets	621,662	621,662	625,029	625,029
Non-current derivative financial assets	29,705	29,705	31,141	31,141
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	1,688,605	(*)	2,624,860	(*)
Current borrowings (excluding lease liabilities)	1,308,525	(*)	124,911	(*)
Other current financial liabilities	57,519	(*)	43,107	(*)
Financial liabilities (non-current):				
Non-current borrowings (excluding lease liabilities)	10,879,699	12,088,064	7,775,529	8,336,700
Other non-current payables	4,329	(*)	2,329	(*)
Non-current derivative financial liabilities (currency swap)	137,159	137,159	-	-

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

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
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 Company can access at the measurement date (Level 1)
- All inputs other than quoted prices included in Level 1 that are observable (either directly, i.e., prices, or indirectly, i.e., derived from prices) for the asset or liability (Level 2)
- Unobservable inputs for the asset or liability (Level 3)

As of 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):

	<u>September 30, 2025</u>			<u>Total</u>	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets/liabilities measured at fair value:					
Current derivative financial assets (currency swap)	₩	- ₩	24,607 ₩	- ₩	24,607
Non-current derivative financial assets	-	-	29,705	-	29,705
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)	-	-	621,662	-	621,662
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)	-	12,088,064	-	-	12,088,064

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	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Non-current derivative financial assets	₩	- ₩	- ₩	31,141 ₩
Non-current derivative financial assets (currency forward)	-	118,088	-	118,088
Non-current derivative financial assets (currency swap)	-	252,187	-	252,187
Other non-current financial assets (marketable financial assets)	7,320	-	-	7,320
Other non-current financial assets (non-marketable financial assets)	-	-	625,029	625,029
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	8,336,700	-	8,336,700

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of interim condensed separate financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgment in applying the Company's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may differ from the related actual results.

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

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

(1) Income taxes

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

(2) Provisions

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

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(3) Fair value of financial instruments

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

(4) Impairment of financial assets

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

(5) Net defined benefit liability (asset)

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

(6) Lease

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

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5. FINANCIAL INSTRUMENTS BY CATEGORY:

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

Financial assets	September 30, 2025			Total
	Financial assets at amortized cost	Financial assets at FVPL	Financial assets at FVOCI (*1)	
Cash and cash equivalents	₩ 2,160,137	₩ -	₩ -	₩ 2,160,137
Trade receivables	1,983,217	-	-	1,983,217
Non-current trade receivables	141,777	-	-	141,777
Other receivables	1,236,009	-	-	1,236,009
Other non-current receivables	134,161	-	-	134,161
Other current financial assets	-	24,607	-	24,607
Other non-current financial assets	-	755,672	83,192	838,864
	<u>₩ 5,655,301</u>	<u>₩ 780,279</u>	<u>₩ 83,192</u>	<u>₩ 6,518,772</u>

Financial liabilities	September 30, 2025		
	Financial liabilities at amortized cost	Other financial liabilities (*2)	Total
Trade payables	₩ 815,019	₩ -	₩ 815,019
Other payables	873,586	-	873,586
Other non-current payables	4,329	-	4,329
Current borrowings	1,308,525	39,327	1,347,852
Non-current borrowings	10,879,699	114,006	10,993,705
Other current financial liabilities	57,519	-	57,519
Other non-current financial liabilities	-	137,159	137,159
	<u>₩ 13,938,677</u>	<u>₩ 290,492</u>	<u>₩ 14,229,169</u>

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

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

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

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

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

	<u>September 30, 2025</u>		<u>September 30, 2024</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Interest income:				
Financial assets at amortized cost	₩ 21,079	₩ 59,490	₩ 26,941	₩ 63,222
Financial assets at FVPL	3,735	20,557	-	-
Interest expense:				
Financial liabilities at amortized cost	(124,978)	(344,423)	(84,531)	(190,127)
Other financial liabilities	(560)	(1,496)	(579)	(1,669)
Gain or loss on valuation/disposal:				
Financial assets at FVPL	(3,205)	(3,205)	502	728
Financial assets at FVOCI	2,796	(7,358)	(6,356)	(4,706)
Derivative instruments (*)	352,795	(296,032)	(209,409)	(18,761)
Exchange differences:				
Financial assets at amortized cost	96,607	(137,194)	(123,204)	129,158
Financial liabilities at amortized cost	(280,860)	420,995	315,001	43,467
Financial assets at FVPL	16,298	(23,432)	(22,531)	(15,559)

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

(3) Supplier financing arrangements

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Liabilities classified as accounts payable and other liabilities:		
The carrying amounts of accounts payable and other liabilities corresponding to supplier financing agreements (*)	₩ 255,584	₩ 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 Company'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 Company 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.

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

	<u>The purchase card</u>	<u>B2B</u>
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.

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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):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Bank deposits and cash on hand	₩ 10,728	₩ 18,848
Cash equivalents	2,149,409	831,046
	<u>₩ 2,160,137</u>	<u>₩ 849,894</u>

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

7. TRADE AND OTHER RECEIVABLES:

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

	<u>September 30, 2025</u>			<u>December 31, 2024</u>		
	<u>Gross amount</u>	<u>Provision for impairment</u>	<u>Carrying amount</u>	<u>Gross amount</u>	<u>Provision for impairment</u>	<u>Carrying amount</u>
Trade receivables	₩ 1,983,217	₩ -	₩ 1,983,217	₩ 2,303,799	₩ -	₩ 2,303,799
Non-current trade receivables	141,777	-	141,777	148,296	-	148,296
Other current receivables	1,236,009	-	1,236,009	1,015,552	-	1,015,552
Other non-current receivables	134,161	-	134,161	145,236	-	145,236
	<u>₩ 3,495,164</u>	<u>₩ -</u>	<u>₩ 3,495,164</u>	<u>₩ 3,612,883</u>	<u>₩ -</u>	<u>₩ 3,612,883</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Current:		
Non-trade receivables	₩ 1,182,922	₩ 1,005,076
Accrued income	12,720	288
Guarantee deposits provided	40,367	10,188
	<u>1,236,009</u>	<u>1,015,552</u>
Non-current:		
Non-trade receivables	52,542	46,428
Due from financial institutions (*)	60,014	60,014
Loans	1,800	-
Guarantee deposits provided	19,805	38,794
	<u>134,161</u>	<u>145,236</u>
	<u>₩ 1,370,170</u>	<u>₩ 1,160,788</u>

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

LG Energy Solution, Ltd.**Notes to the interim condensed separate 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**

(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	₩ 1,853,199	₩ 1,355,142	₩ 2,266,156	₩ 1,155,713
Past due, but not impaired:				
Less than three months	159,931	12,746	184,894	5,060
Between three and six months	75,858	2,282	961	-
More than six months	36,006	-	84	15
	271,795	15,028	185,939	5,075
Impaired receivables	-	-	-	-
	₩ 2,124,994	₩ 1,370,170	₩ 2,452,095	₩ 1,160,788

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

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

LG Energy Solution, Ltd.

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

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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):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Other financial assets:		
Financial assets at FVOCI	₩ 83,192	₩ 91,312
Financial assets at FVPL (*)	780,279	942,453
	<u>₩ 863,471</u>	<u>₩ 1,033,765</u>
Other financial liabilities:		
Financial guarantee contracts	₩ 57,519	₩ 43,107
Financial liabilities at FVPL	137,159	-
	<u>₩ 194,678</u>	<u>₩ 43,107</u>

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

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

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

	<u>2025</u>	<u>2024</u>
Beginning	₩ 91,312	₩ 90,494
Acquisitions/transfer	2,000	-
Disposal	(2,762)	-
Valuation gain (loss) (before income tax deduction) and other comprehensive income item	(7,358)	818
Ending	<u>₩ 83,192</u>	<u>₩ 91,312</u>

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

	<u>Volta Energy Solutions S.a.r.l</u>	<u>Capchem Poland SP. Z o. o.</u>
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.	-

LG Energy Solution, Ltd.**Notes to the interim condensed separate 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****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	₩ 158,074	₩ (9,138)	₩ 148,936	₩ 143,210	₩ (3,352)	₩ 139,858
Finished/semifinished products	853,445	(129,277)	724,168	778,801	(107,180)	671,621
Raw materials	178,094	(3,419)	174,675	286,014	(4,669)	281,345
Supplies	8,735	(7,568)	1,167	10,380	(3,510)	6,870
Materials in transit	44,551	-	44,551	128,984	-	128,984
	<u>₩ 1,242,899</u>	<u>₩ (149,402)</u>	<u>₩ 1,093,497</u>	<u>₩ 1,347,389</u>	<u>₩ (118,711)</u>	<u>₩ 1,228,678</u>

(2) The amounts of inventories expensed as cost of sales for the nine-month periods ended September 30, 2025 and 2024, were ₩4,464,032 million and ₩4,659,390 million, respectively.

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:

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

	September 30, 2025	December 31, 2024
Beginning	₩ 13,449,510	₩ 10,118,763
Acquisitions	1,836,044	3,330,747
Disposals	(2,160)	-
Ending	<u>₩ 15,283,394</u>	<u>₩ 13,449,510</u>

LG Energy Solution, Ltd.

Notes to the interim condensed separate 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

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

	Location	Percentage of ownership (%)		Carrying amount	
		September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	China	100	100	₩ 1,138,401	₩ 1,138,401
LG Energy Solution Michigan Inc.	USA	100	100	6,066,013	4,993,186
LG Energy Solution Battery (Nanjing) Co., Ltd.	China	100	100	323,438	323,438
LG Energy Solution Wrocław sp. z o.o.	Poland	100	100	2,299,898	2,299,898
LG Energy Solution Australia Pty Ltd.	Australia	100	100	429	429
LG Energy Solution Technology (Nanjing) Co., Ltd.	China	100	100	788,171	788,171
LG Energy Solution Europe GmbH	Germany	100	100	34,729	34,729
LG Energy Solution (Taiwan) Ltd.	Taiwan	100	100	827	1,871
Areum noori Co., Ltd.	Korea	100	100	500	500
LG Energy Solution Fund I LLC	USA	100	100	49,806	49,605
LG Energy Solution Vertech Inc.	USA	100	100	16,168	16,168
LG Energy Solution Arizona, Inc.	USA	100	100	268,725	268,725
Baterias De Castilla S.L.	Spain	100	100	4	4
L-H Battery Company, Inc.	USA	51	51	2,469,304	1,764,828
LG Energy Solution India Private Limited	India	100	100	563	563
LG Energy Solution Arizona ESS, Inc.	USA	100	100	102,735	102,735
NextStar Energy Inc.	Canada	51	51	1,342,085	1,342,085
LG Energy Solution Fund II LLC	USA	100	100	61,937	44,513
LG Energy Solution Japan Co., Ltd.	Japan	100	100	535	535
PT. HLI Green Power	Indonesia	50	50	209,133	209,133
LG Energy Solution China, Co., Ltd. (*1)	China	100	-	14,174	-
				15,187,575	13,379,517
Associates:					
Sama Aluminium Co., Ltd. (*2)	Korea	10.2	10.2	46,575	46,575
Nexpo Co., Ltd. (*3)	Korea	19.0	19.0	6,649	4,274
Bricks Capital Management Global Battery Private Equity Fund I	Korea	59.9	59.9	19,588	19,144
Jeju Bukchon BESS Power Plant Co., Ltd. (*4)	Korea	10.0	-	900	-
PT LBM Energi Baru Indonesia (*5)	Indonesia	20	-	22,107	-
				95,819	69,993
				₩ 15,283,394	₩ 13,449,510

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

(*2) Although the ownership is less than 20%, the Company has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement. Under the terms of the agreement, the Company 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) Although the ownership is less than 20%, the Company has been determined that it has significant influence due to its ability to participate in the decision-making process through a shareholders' agreement. Under the terms of the agreement, the Company 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.

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

(*5) During the current period, the Company newly acquired 20% of PT LBM Energi Baru Indonesia for ₩22,107 million. Under the terms of the agreement, the Company 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 Company, the controlling shareholder has the right to purchase the shares held by the Company.

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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	₩	4,059,252	₩	3,383,740
Acquisition		1,010,097		1,377,274
Replacement		(199,087)		(252,631)
Disposal		(8,601)		(38,398)
Depreciation		(305,156)		(396,109)
Impairment		(9,426)		(14,624)
Ending	<u>₩</u>	<u>4,547,079</u>	<u>₩</u>	<u>4,059,252</u>

(2) The current ending balances of property, plant and equipment include ₩1,290,356 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 ₩1,145,910 million).

(3) The Company capitalized ₩29,775 million of borrowing costs in relation to acquisition of property, plant and equipment (for the nine-month period ended September 30, 2024, was ₩22,645 million). The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 4.11% (for the nine-month period ended September 30, 2024, was 4.13%).

(4) Line items, including depreciation, in the interim condensed separate statements of profit or loss for the three-month and nine-month period 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	₩ 57,708	₩ 163,765	₩ 56,557	₩ 168,940
Selling and administrative expenses	49,235	141,391	40,351	114,039
	<u>₩ 106,943</u>	<u>₩ 305,156</u>	<u>₩ 96,908</u>	<u>₩ 282,979</u>

(5) Lease

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

Details of amounts recognized in the interim condensed separate statements of financial position in relation to leases for the nine-month period 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 (*):				
Buildings	₩	144,782	₩	47,511
Lands		359		243
Vehicles		6,753		10,316
	<u>₩</u>	<u>151,894</u>	<u>₩</u>	<u>58,070</u>

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

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Notes to the interim condensed separate financial statements

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

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Additions to the right-of-use assets for the nine-month period ended September 30, 2025, are ₩123,314 million (for the nine-month period ended September 30, 2024, were ₩42,149 million).

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Lease liabilities (*):		
Current	₩ 39,327 ₩	33,039
Non-current	114,006	28,779
	<u>₩ 153,333 ₩</u>	<u>61,818</u>

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

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

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

	<u>2025</u>		<u>2024</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Depreciation of right-of-use assets:				
Buildings	₩ 10,173 ₩	23,555 ₩	6,897 ₩	19,718
Land	22	57	64	200
Vehicles and others	1,248	3,938	1,484	4,527
	<u>₩ 11,443 ₩</u>	<u>27,550 ₩</u>	<u>₩ 8,445 ₩</u>	<u>24,445</u>
Interest expense relating to lease liabilities (included in finance cost)	₩ 560 ₩	1,496 ₩	579 ₩	1,669
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)	353	997	599	2,329
Expenses relating to leases of low-value assets that are not short-term leases (included in cost of goods sold and administrative expenses)	1,571	5,015	1,774	5,220

Total cash outflow for leases for the nine-month period ended September 30, 2025, is ₩35,284 million (for the nine-month period ended September 30, 2024, was ₩32,808 million).

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Notes to the interim condensed separate financial statements

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

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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	₩	918,174	₩	712,217
Acquisition		107,424		113,267
Replacement		238,847		233,742
Disposal		(1,365)		(4,216)
Amortization		(147,965)		(136,836)
Impairment		(161)		-
Ending	<u>₩</u>	<u>1,114,954</u>	<u>₩</u>	<u>918,174</u>

(2) Line items, including amortization of intangibles in the interim condensed separate 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	₩ 1,989	₩ 5,939	₩ 5,288	₩ 15,518
Selling and administrative expenses	48,649	142,026	29,031	82,707
	<u>₩ 50,638</u>	<u>₩ 147,965</u>	<u>₩ 34,319</u>	<u>₩ 98,225</u>

(3) Greenhouse gas emission right

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

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

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

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

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

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

	2025			
	2024		2025	
	Ton	Amount	Ton	Amount
Beginning/Allocated	419 ₩	-	297 ₩	-
Purchase/Sale	(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 ₩	-

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For the three-month and nine-month periods ended September 30, 2025 and 2024

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):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Current:		
Prepayments	₩ 1,796	₩ 3,407
Prepaid expenses	30,070	45,023
Prepaid value-added taxes	35,142	55,284
Others	84,159	81,670
	<u>₩ 151,167</u>	<u>₩ 185,384</u>
Non-current:		
Long-term prepayments	₩ 1,225	₩ 938
Long-term prepaid expenses	8,620	9,852
Net defined benefit assets	84,763	142,734
	<u>₩ 94,608</u>	<u>₩ 153,524</u>

14. BORROWINGS:

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Current:		
Current portion of debentures	₩ 1,308,525	₩ 124,911
Current lease liabilities	39,327	33,039
	<u>₩ 1,347,852</u>	<u>₩ 157,950</u>
Non-current:		
Long-term borrowings	₩ 270,748	-
Debentures	10,608,951	7,775,529
Non-current lease liabilities	114,006	28,779
	<u>10,993,705</u>	<u>7,804,308</u>
	<u>₩ 12,341,557</u>	<u>₩ 7,962,258</u>

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

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

		<u>September 30, 2025</u>					
		<u>Bank</u>	<u>Interest rate (%)</u>	<u>Latest maturity date</u>	<u>Amount</u>	<u>Current portion</u>	<u>Non-current portion</u>
Borrowings in local currencies	Korea Exim Bank		3M market yield on Supply Chain Resilience Fund + 0.34	07.02.2029	₩ 269,656	-	₩ 269,656
	Shinhan Capital		4.20	07.21.2028	1,092	-	1,092
					<u>₩ 270,748</u>	<u>₩ -</u>	<u>₩ 270,748</u>

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	December 31, 2024					
	Bank	Interest rate (%)	Latest maturity date	Amount	Current portion	Non-current portion
Borrowings in local currencies	-	-	-	₩	- ₩	- ₩

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

	September 30, 2025					
	Financial institution	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion
1 st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	03.13.2026	₩ 200,000	₩ 200,000	₩ -
2-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	06.29.2026	370,000	370,000	-
2-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	06.29.2028	505,000	-	505,000
3-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	02.16.2026	180,000	180,000	-
3-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	02.16.2027	660,000	-	660,000
3-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	02.16.2029	570,000	-	570,000
3-4 th Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.202	02.16.2031	190,000	-	190,000
4-1 st Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.138	02.14.2027	640,000	-	640,000
4-2 nd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.228	02.14.2028	590,000	-	590,000
4-3 rd Debenture (non-guaranteed/public)	Korea Investment & Securities Co., Ltd. and others	3.247	02.14.2030	310,000	-	310,000
4-4 th 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

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December 31, 2024						
	Financial institution	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion
1 st Debenture (non-guaranteed/public)	NH Investment & Securities Co., Ltd. and others	2.214	03.13.2026	₩ 200,000	₩ -	₩ 200,000
2-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.097	06.29.2025	125,000	125,000	-
2-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.196	06.29.2026	370,000	-	370,000
2-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.298	06.29.2028	505,000	-	505,000
3-1 st Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.806	02.16.2026	180,000	-	180,000
3-2 nd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	3.889	02.16.2027	660,000	-	660,000
3-3 rd Debenture (non-guaranteed/public)	KB Securities Co., Ltd. and others	4.054	02.16.2029	570,000	-	570,000
3-4 th 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)
				<u>₩ 7,900,440</u>	<u>₩ 124,911</u>	<u>₩ 7,775,529</u>

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

3) Lease liabilities (Korean won in millions)

September 30, 2025						
	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion	
Baeksan industry and others	2.16-4.20	05.31.2040	₩ 153,333	₩ 39,327	₩ 114,006	

December 31, 2024						
	Interest rate (%)	Longest maturity date	Amount	Current portion	Non-current portion	
Baeksan industry and others	2.21-4.20	02.28.2039	₩ 61,818	₩ 33,039	₩ 28,779	

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15. PROVISIONS:

Changes in provisions for the nine-month period ended September 30, 2025, and for 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	₩ 699,865	₩ 74	₩ 118,070	₩	818,009	
Provision transfer	181,478	312	784		182,574	
Used	(260,913)	-	-		(260,913)	
Ending	620,430	386	118,854		739,670	
Less: current portion	(448,896)	(386)	(110,035)		(559,317)	
	<u>₩ 171,534</u>	<u>₩ -</u>	<u>₩ 8,819</u>	₩	<u>180,353</u>	

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

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

(*2) In relation to greenhouse gas emissions, the Company estimates the expected future costs of emissions exceeding the Company's emission rights for the year and recognizes them as provisions. Estimated emissions are 296 thousand tons for the nine-month period ended September 30, 2025 (for the year ended December 31, 2024, were 305 thousand tons).

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

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16. NET DEFINED BENEFIT LIABILITIES (ASSETS):

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

	<u>September 30, 2025</u>		<u>December 31, 2024</u>	
Present value of defined benefit liabilities (*1)	₩	702,815	₩	665,108
Fair value of plan assets		<u>(787,578)</u>		<u>(807,842)</u>
Net defined benefit assets (*2)	₩	<u>(84,763)</u>	₩	<u>(142,734)</u>

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

(*2) The ₩84,763 million of net defined benefit assets is included in the 'Other non-current assets' as of September 30, 2025 (as of December 31, 2024, was ₩142,734 million).

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

	<u>2025</u>		<u>2024</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Current service cost	₩ 22,663	₩ 67,989	₩ 23,365	₩ 70,095
Interest cost	<u>(1,463)</u>	<u>(4,389)</u>	<u>(1,813)</u>	<u>(5,439)</u>
	₩ 21,200	₩ 63,600	₩ 21,552	₩ 64,656

(3) Retirement benefits recognized for defined contribution plan for the nine-month period ended September 30, 2025, amounted to ₩2,162 million (for the nine-month period ended September 30, 2024, amounted to ₩1,668 million).

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

	<u>2025</u>		<u>2024</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Cost of sales	₩ 7,632	₩ 23,361	₩ 9,838	₩ 30,088
Selling and administrative expenses	<u>14,268</u>	<u>42,401</u>	<u>12,175</u>	<u>36,236</u>
	₩ 21,900	₩ 65,762	₩ 22,013	₩ 66,324

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

	<u>2025</u>		<u>2024</u>	
Beginning	₩	665,108	₩	671,375
Transfer in		664		2,475
Transfer out		(987)		(1,572)
Current service cost		67,989		93,460
Interest expense		20,099		31,080
Remeasurements:				
Actuarial loss from change in financial assumption		-		(69,888)
Actuarial loss from change in demographic assumption		-		1,906
Actuarial gain due to difference between the estimated and the actual		-		(3,502)
Others		-		-
Payments from plans		<u>(50,058)</u>		<u>(60,226)</u>
Ending	₩	<u>702,815</u>	₩	<u>665,108</u>

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

	<u>2025</u>	<u>2024</u>
Beginning	₩ 807,842	₩ 827,884
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	-	-
Payments from plans	(44,245)	(51,058)
Administrative costs	(1,124)	(1,615)
Ending	<u>₩ 787,578</u>	<u>₩ 807,842</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
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):

	<u>Increase by 1.0%</u>	<u>Decrease by 1.0%</u>
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 separate statements of financial position.

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

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

	<u>September 30, 2025</u>		<u>December 31, 2024</u>	
	<u>Amount</u>	<u>Composition (%)</u>	<u>Amount</u>	<u>Composition (%)</u>
Insurance contracts with guaranteed yield	₩ 787,578	100	₩ 807,842	100

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

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Current:		
Advances from customers	₩ 68,291	₩ 48,911
Withholdings	10,114	39,276
Unearned revenues	162,919	262,616
Accrued expenses and others	<u>282,862</u>	<u>64,763</u>
	<u>₩ 524,186</u>	<u>₩ 415,566</u>
Non-current:		
Long-term employee benefits	₩ 36,656	₩ 34,494
Long-term unearned revenues	1,545	1,625
Long-term advance received	<u>2,074</u>	<u>21,482</u>
	<u>₩ 40,275</u>	<u>₩ 57,601</u>

18. COMMITMENTS AND CONTINGENCIES:

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

	<u>Currency</u>	<u>Amount</u>
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
Derivatives	USD	2,805
	KRW	400,000
Business-to-business purchase arrangements	KRW	125,000
General loan agreements	KRW	1,220,000
Bond transfer transaction	KRW	100,000

- (4) The Company 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.
- (5) The Company provides performance guarantees of USD 28,244 million, EUR 1 million, CAD 1,110 million and others for subsidiaries.
- (6) The Company has been sued and related in six class actions by consumers in relation to the sales of mobile batteries, GM Bolt EV and others, and actions are still in process as of September 30, 2025. The Company also has filed two lawsuit cases (amounted to USD 90 million and ₩503 million) and been sued in 42 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.

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- (7) The Company has entered into a license agreement with LG Corp. to use trademarks on the products that the Company manufactures and sells, and on the services it provides in relation to its business.
- (8) As of September 30, 2025, the Company has entered into a joint venture agreement with Honda and has committed to invest USD 1,802 million and has contributed USD 1,801 million as of September 30, 2025. Also, the Company has decided to provide a payment guarantee of USD 510 million to the joint venture, determined by its proportionate ownership of the borrowed amount up to a maximum limit of USD 1,000 million. In addition, if one party defaults, the other party has the right to purchase shares from the other party.
- (9) As of September 30, 2025, the Company has entered into a joint venture agreement with Stellantis and has committed to invest USD 1,464 million and has contributed USD 1,020 million as of September 30, 2025. In addition, if one party defaults, the other party has the right to purchase shares from the other party. Also, the Company has decided to provide a payment guarantee of USD 686 million to the joint venture, determined by its proportionate ownership of the borrowed amount up to a maximum limit of USD 1,344 million.
- (10) As of September 30, 2025, the Company has entered into a joint venture agreement with HMG Global LLC and has completed its contribution of USD 1,084 million as 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 Company has decided to contribute USD 1,106 million to LG Energy Solution Arizona, Inc. and has contributed USD 208 million as of September 30, 2025. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,106 million and lease-related payment obligation of USD 4,483 million.
- (12) As of September 30, 2025, the Company has decided to contribute USD 1,173 million to LG Energy Solution Arizona ESS, Inc. and has contributed USD 76 million as of September 30, 2025. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,173 million.
- (13) As of September 30, 2025, the Company has decided to provide a payment guarantee up to a maximum limit of USD 2,510 million to LG Energy Solution Michigan, Inc. Furthermore, the Company has decided to provide a guarantee up to USD 2,500 million in relation to the acquisition agreement for all asset of the third Ultium Cells LLC plant (Lansing), and the amount executed under this guarantee amounted to USD 928 million as of September 30, 2025.
- (14) Capital expenditure arrangements that have not been incurred as of September 30, 2025, and December 31, 2024, are as follows (Korean won in millions):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment	₩ 373,422	₩ 631,492

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

	<u>Currency</u>	<u>Contractual amount</u>	<u>Total investments</u>	<u>Remaining amount</u>
BNZ (Beyond Net Zero) Fund	USD	75	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

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

Guarantor	Guarantee beneficiary	Financial institution	Loan amount (*1)		Credit limit (*2)	
			September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
		EBRD	₩ 32,890	₩ 45,862	₩ 164,450	₩ 152,873
		SMBC	24,668	34,396	82,225	76,437
		DBS	164,450	152,873	164,450	152,873
		EIB	263,120	407,662	789,360	733,790
		EBRD	74,003	91,724	246,675	229,310
	LG Energy Solution	KDB Bank/ Korea Exim Bank	217,896	354,474	435,793	405,113
	Wroclaw sp. z o.o.	KDB Bank/ Korea Exim Bank/ NH Bank	791,416	840,802	904,475	840,802
LG Energy Solution Ltd.		KDB Bank/ Korea Exim Bank	82,225	133,764	164,450	152,873
		KDB Bank/ Korea Exim Bank	41,113	66,882	82,225	76,437
		KDB Bank/ Korea Exim Bank	41,113	66,882	82,225	76,437
	LG Energy Solution Michigan Inc.	KDB Bank/ Korea Exim Bank and others	252,396	73,500	1,542,420	1,617,000
	NextStar Energy Inc.	EDC, Citi and others	915,356	-	961,339	-
	L-H Battery Company, Inc.	MUFG	267,974	-	715,122	-
	PT. HLI Green Power	ANZ and others	440,992	462,315	498,482	522,585
			<u>₩ 3,609,612</u>	<u>₩ 2,731,136</u>	<u>₩ 6,833,691</u>	<u>₩ 5,036,530</u>

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

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

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

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19. SHARE CAPITAL:

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

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

20. ACCUMULATED DEFICIT:

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

	September 30, 2025	December 31, 2024
Undisposed accumulated deficit	₩ (2,080,560)	₩ (1,938,044)

21. OPERATING LOSSES:

(1) The major items encompassed in the calculation of operating losses 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	months
Revenue	₩ 1,754,155	₩ 5,676,057	₩ 2,097,344	₩ 5,659,865
Cost of sales	1,416,066	4,561,497	1,804,725	4,740,821
Gross profit	338,089	1,114,560	292,619	919,044
Selling and administrative expenses:				
Wages and salaries	₩ 216,114	₩ 635,229	₩ 167,382	₩ 495,632
Retirement benefits	14,268	42,401	12,175	36,236
Employee benefits	46,377	146,515	44,805	135,080
Travel expenses	12,881	48,049	14,196	40,974
Water and utilities	27,505	75,235	21,439	59,476
Rental expenses	11,221	32,836	12,409	36,610
Commission expenses	(83,923)	45,999	251,233	634,271
Depreciation	50,733	145,872	41,863	118,537
Advertising expenses	6,616	15,743	6,214	16,148
Freight expenses	665	20,336	17,291	24,876
Training expenses	5,633	12,658	6,172	19,536
Amortization	48,649	142,026	29,031	82,707
Sample expenses	719	1,546	1,345	3,993
Development costs	119,202	240,635	54,775	158,553
Addition to warranty provisions	75,517	181,478	279,165	527,627
Others	45,673	115,141	54,660	148,686
	597,850	1,901,699	1,014,155	2,538,942
Operating losses	₩ (259,761)	₩ (787,139)	₩ (721,536)	₩ (1,619,898)

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(2) Sales 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
Sales recognized at a point in time	₩ 1,406,043	₩ 4,578,638	₩ 1,838,226	₩ 4,912,947
Sales recognized over time	348,112	1,097,419	259,118	746,918
	<u>₩ 1,754,155</u>	<u>₩ 5,676,057</u>	<u>₩ 2,097,344</u>	<u>₩ 5,659,865</u>

22. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses by nature 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
Changes in inventories of merchandise, finished goods, semifinished goods and work in process	₩ (110,093)	₩ (61,625)	₩ 52,511	₩ 84,472
Raw materials and consumables used and others	747,449	2,557,201	1,105,570	3,036,520
Purchase of merchandise	271,392	622,949	195,117	497,687
Employee benefit expenses	380,393	1,131,502	344,099	1,026,142
Advertising expenses	6,616	15,758	6,214	16,162
Freight expenses	2,162	24,200	17,670	25,826
Commission (reversal) expenses	(66,043)	100,688	273,586	711,397
Depreciation and amortization	159,079	457,602	132,739	385,702
Rent expenses and usage fee	841	5,754	2,345	7,644
Transfers to provisions for service warranties	75,517	181,478	279,165	527,627
Other expenses	546,603	1,427,689	409,864	960,584
	<u>₩ 2,013,916</u>	<u>₩ 6,463,196</u>	<u>₩ 2,818,880</u>	<u>₩ 7,279,763</u>

23. EMPLOYEE BENEFIT EXPENSES:

Details of employee benefit expenses 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
Wages and salaries	₩ 316,134	₩ 931,382	₩ 277,118	₩ 825,104
Retirement benefits: Defined benefit plan	21,200	63,600	21,552	64,656
Retirement benefits: Defined contribution plan	700	2,162	461	1,668
Others	42,359	134,358	44,968	134,714
	<u>₩ 380,393</u>	<u>₩ 1,131,502</u>	<u>₩ 344,099</u>	<u>₩ 1,026,142</u>

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24. FINANCE INCOME AND COSTS:

Details of finance income and costs 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
Finance income:				
Interest income (*1)	₩ 24,814	₩ 80,047	₩ 26,941	₩ 63,222
Exchange differences	(193,335)	538,862	157,098	303,113
Gain on derivative instruments	-	-	(99,214)	90,197
Gain on disposal of financial assets at FVPL	-	-	502	728
	<u>₩ (168,521)</u>	<u>₩ 618,909</u>	<u>₩ 85,327</u>	<u>₩ 457,260</u>
Finance costs:				
Interest expense (*2)	₩ 115,390	₩ 316,144	₩ 76,524	₩ 169,151
Exchange differences	21,556	189,378	(71,744)	217,209
Loss on derivative instruments	(352,795)	296,032	110,315	110,315
Loss on valuation of financial assets at FVPL	3,205	3,205	-	-
	<u>₩ (212,644)</u>	<u>₩ 804,759</u>	<u>₩ 115,095</u>	<u>₩ 496,675</u>

(*1) Details of interest income 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
Cash and cash equivalents and others	₩ 19,350	₩ 54,307	₩ 25,326	₩ 58,200
Financial assets at FVPL	3,735	20,557	-	-
Other loans and receivables	1,729	5,183	1,615	5,022
	<u>₩ 24,814</u>	<u>₩ 80,047</u>	<u>₩ 26,941</u>	<u>₩ 63,222</u>

(*2) Details of interest expense 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
Interest on lease liabilities	₩ 560	₩ 1,496	₩ 579	₩ 1,669
Interest on debentures	124,968	337,667	84,530	190,126
Other interest expenses	9	6,756	1	1
Capitalized interest for qualifying assets	(10,147)	(29,775)	(8,586)	(22,645)
	<u>₩ 115,390</u>	<u>₩ 316,144</u>	<u>₩ 76,524</u>	<u>₩ 169,151</u>

LG Energy Solution, Ltd.**Notes to the interim condensed separate 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****25. OTHER NON-OPERATING INCOME:**

Details of other non-operating income 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
Exchange differences	₩ 1,085	₩ 135,405	₩ 4,405	₩ 238,142
Gain on disposal of property, plant and equipment	58	183	570	866
Dividend income	282,111	866,180	266,882	797,552
Others	24,765	65,973	7,882	22,567
	<u>₩ 308,019</u>	<u>₩ 1,067,741</u>	<u>₩ 279,739</u>	<u>₩ 1,059,127</u>

26. OTHER NON-OPERATING EXPENSES:

Details of other non-operating expenses 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
Exchange differences	₩ (45,852)	₩ 224,519	₩ 63,980	₩ 166,980
Loss on disposal of property, plant and equipment	5,140	17,670	17,030	29,368
Impairment of property, plant and equipment	5,413	9,426	(457)	6,848
Loss on disposal of intangible assets	6	15	175	329
Impairment of intangible asset	85	161	-	-
Donations	204	268	309	5,873
Others	19,426	22,177	260	351
	<u>₩ (15,578)</u>	<u>₩ 274,236</u>	<u>₩ 81,297</u>	<u>₩ 209,749</u>

27. INCOME TAX EXPENSE:

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

28. EARNINGS(LOSSES) PER SHARE:

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

(1) Basic earnings per ordinary share for the three-month and 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
Profits (losses) attributable to ordinary shares	₩ 80,668	₩ (135,906)	₩ (255,045)	₩ (505,542)
Weighted-average number of ordinary shares outstanding	234,000,000	234,000,000	234,000,000	234,000,000
Basic earnings per ordinary share (in Korean won)	<u>₩ 345</u>	<u>₩ (581)</u>	<u>₩ (1,089)</u>	<u>₩ (2,160)</u>

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

LG Energy Solution, Ltd.

Notes to the interim condensed separate financial statements

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29. 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 Company or have receivable and payable balances, other than separate subsidiaries, 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	
LG CNS Co., Ltd.	Biz Tech I Co., Ltd. and others	LG CNS America Inc. and others	Subsidiary of LG Corp.
LG Management Development Institute			
LG Display, Inc.	NANUMNURI CO., LTD.	LG Display (China) Co., Ltd. and others	
LG 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 Enterprise group (*1)
LG Uplus Corp.	LG HelloVision Corp. and others	LG UPLUS FUND I LLC and others	
HS AD Inc.		GIIR America Inc. and others	
Mintech Co., Ltd. (*2)			

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

(*2) Although the Company holds 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.

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

	2025				
	Sales and others(*)	Purchase and others			
		Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Interest expense	Others
Parent:					
LG Chem, Ltd.	₩ 20,572	₩ 25,885	₩ -	₩ 5	₩ 1,856
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	1,038,055	1,200,658	363	-	864
LG Energy Solution Michigan, Inc.	167,829	89	-	-	22,719
LG Energy Solution Battery (Nanjing) Co., Ltd.	75,105	347,828	-	-	1,157
LG Energy Solution Wroclaw sp. z o.o.	657,327	11,254	-	-	3,722
LG Energy Solution Australia Pty Ltd.	2,733	-	-	-	16,441
LG Energy Solution Technology (Nanjing) Co., Ltd.	120,179	889,995	-	-	77
Ultium Cells LLC	473,845	-	-	-	-
LG Energy Solution Europe GmbH	8,601	-	-	-	21,739
LG Energy Solution (Taiwan), Ltd.	369	-	-	-	1,676
Areumnoori Co., Ltd.	1,911	-	-	-	8,934
LG Energy Solution Vertech Inc.	46,230	-	-	-	(397,812)
LG Energy Solution Arizona, Inc.	693	-	-	-	5,462
L-H Battery Company, Inc.	10,816	670	-	-	-
LG Energy Solution India Private Ltd.	4,456	-	-	-	2,520
LG Energy Solution Japan Co., Ltd.	-	-	-	-	2,013
HL-GA BATTERY COMPANY LLC	400,336	-	-	-	-
PT. HLI Green Power	29,137	15	27	-	3,452
NextStar Energy Inc.	8,581	9	-	-	4
Associates:					
Sama Aluminium	-	813	-	-	-
Mintech Co., Ltd.	-	-	292	-	-
Nexpo Co., Ltd.	-	29	-	-	-
PT LBM ENERGI BARU INDONESIA	4,875	313	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	27,293
HAENGBOKNURI CO., LTD.	4	-	-	-	328
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	12,151	-	-	-
LG HY BCM Co., Ltd.	-	2,481	-	-	125
TECWIN Co., Ltd.	-	-	29,093	-	58
LG Management Development Institute	-	-	-	-	19,258
D&O Co., Ltd. and its subsidiaries	66	-	4,726	-	3,165
LG CNS Co., Ltd. and its subsidiaries	25,616	23	119,461	-	122,554
Others	-	-	-	-	450
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	131,816	17,017	76,951	94	134,853
Others	21	-	28	15	3,184
	<u>₩ 3,229,173</u>	<u>₩ 2,509,230</u>	<u>₩ 230,941</u>	<u>₩ 114</u>	<u>₩ 6,092</u>

(*) Dividends received and other income are included.

LG Energy Solution, Ltd.

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	2024				
	Sales and Others(*1)	Purchase and others			Others
		Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Interest expense	
Parent:					
LG Chem, Ltd.	₩ 36,142	₩ 36,762	₩ -	₩ 15	₩ 2,012
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	932,792	1,381,793	-	-	62
LG Energy Solution Michigan, Inc.	196,059	529	-	-	29,889
LG Energy Solution Battery (Nanjing) Co., Ltd.	43,663	368,902	-	-	-
LG Energy Solution Wrocław sp. z o.o.	477,350	10,282	-	-	3,447
LG Energy Solution Australia Pty Ltd.	(195)	-	-	-	31,215
LG Energy Solution Technology (Nanjing) Co., Ltd.	41,916	1,247,817	-	-	361
Ultium Cells LLC	97,879	-	-	-	-
LG Energy Solution Europe GmbH	11,416	-	-	-	46,930
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	2,220
Areumnoori Co., Ltd.	11	-	-	-	9,319
LG Energy Solution Vertech Inc.	358,000	-	-	-	94,393
L-H Battery Company, Inc.	2,652	-	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	985
LG Energy Solution Japan Co., Ltd.	-	-	-	-	853
HL-GA BATTERY COMPANY LLC	479	-	-	-	-
PT. HLI Green Power (*2)	6,355	29	-	-	128
NextStar Energy Inc.	3,449	80	-	-	-
Associates and joint ventures:					
PT. HLI Green Power (*2)	38,094	363	-	-	6,393
Sama Aluminium	-	896	-	-	-
Nexpo Co., Ltd.	-	60	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	29,412
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	18,330	-	-	-
LG HY BCM Co., Ltd.	-	673	-	-	-
TECWIN Co., Ltd.	-	-	1,445	-	33
LG Management Development Institute	-	-	-	-	25,589
D&O Co., Ltd. and its subsidiaries	64	-	3,726	-	3,163
LG CNS Co., Ltd. and its subsidiaries	20,145	33	206,279	-	102,564
Others	-	-	-	-	795
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	123,503	11,777	45,033	-	13,303
Xi C&A and its subsidiaries (*3)	-	2,725	15,169	-	70
S&I Corporation (*3)	-	3,027	7,610	-	18,230
Others	29	-	179	13	2,392
	<u>₩ 2,389,803</u>	<u>₩ 3,084,078</u>	<u>₩ 279,441</u>	<u>₩ 28</u>	<u>₩ 423,758</u>

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

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

(*3) The Company 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.

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(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	₩ 2,767	₩ 124	₩ 10,930	₩ 13,821
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	31,331	78,915	110,246	248,005	-	78	248,083
LG Energy Solution Michigan, Inc.	35,265	59,994	95,259	-	-	10,258	10,258
LG Energy Solution Battery (Nanjing) Co., Ltd.	-	-	-	75,486	-	4,585	80,071
LG Energy Solution Wrocław sp. z o.o.	76,998	77,182	154,180	7,224	-	1,102	8,326
LG Energy Solution Australia Pty Ltd.	21	-	21	-	-	1,999	1,999
LG Energy Solution Technology (Nanjing) Co., Ltd.	38,645	-	38,645	198,493	-	2,458	200,951
Ultium Cells LLC	64,994	22,528	87,522	-	-	-	-
LG Energy Solution Europe GmbH	7,061	15,829	22,890	-	-	29,751	29,751
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	-	305	305
Areumnoori Co., Ltd.	-	-	-	-	-	2,167	2,167
LG Energy Solution Vertech Inc.	290,236	518,942	809,178	-	-	4,013	4,013
LG Energy Solution Arizona, Inc.	-	782	782	-	-	651	651
L-H Battery Company, Inc.	-	4,099	4,099	8	-	122	130
LG Energy Solution India Private Ltd.	-	-	-	-	-	195	195
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	294	294
HL-GA BATTERY COMPANY LLC	-	-	-	-	-	91	91
PT. HLI Green Power	-	13,908	13,908	-	-	-	-
NextStar Energy Inc.	-	17,308	17,308	-	-	-	-
Associates:							
Sama Aluminium	-	-	-	56	-	11	67
Mintech Co., Ltd.	-	-	-	-	-	139	139
PT LBM ENERGI BARU INDONESIA	-	4,875	4,875	-	-	11	11
Other related parties:							
LG Corp.	-	2,820	2,820	-	-	-	-
HAENGBOKNURI CO., LTD.	-	-	-	-	-	70	70
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	-	-	26	-	-	26
LG HY BCM Co., Ltd.	-	-	-	100	-	1,544	1,644
TECWIN Co., Ltd.	-	-	-	-	-	12,713	12,713
LG Management Development Institute	-	-	-	-	-	735	735
D&O Co., Ltd. and its subsidiaries	-	-	-	-	-	2,055	2,055
LG CNS Co., Ltd. and its subsidiaries	10,818	-	10,818	-	-	89,251	89,251
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*)	71,413	9,023	80,436	3,740	6,935	26,263	36,938
Others	-	815	815	-	2,199	2,242	4,441
	<u>₩ 627,406</u>	<u>₩ 827,020</u>	<u>₩ 1,454,426</u>	<u>₩ 535,905</u>	<u>₩ 9,258</u>	<u>₩ 204,033</u>	<u>₩ 749,196</u>

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

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

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

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

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

	2025							
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)		
				Loan	Repayment	Borrowing	Repayment	
Parent:								
LG Chem, Ltd.	₩	- ₩	- ₩	- ₩	- ₩	- ₩	- ₩	367
Subsidiaries:								
LG Energy Solution (Nanjing) Co., Ltd.		785,631	-	-	-	-	-	-
LG Energy Solution Michigan, Inc.		-	-	1,072,828	-	-	-	-
LG Energy Solution Fund I LLC.		-	-	201	-	-	-	-
L-H Battery Company, Inc.		-	-	704,476	-	-	-	-
LG Energy Solution Battery (Nanjing) Co., Ltd.		71,075	-	-	-	-	-	-
LG Energy Solution India Private Ltd.		4,456	-	-	-	-	-	-
LG Energy Solution Fund II LLC		-	-	17,424	-	-	-	-
LG Energy Solution (Taiwan) Ltd.		369	-	(1,044)	-	-	-	-
Areumnoori Co., Ltd.		1,900	-	-	-	-	-	-
LG Energy Solution China Co., Ltd.		-	-	14,174	-	-	-	-
LG Energy Solution Australia Pty Ltd		2,711	-	-	-	-	-	-
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 Electronics Inc., Ltd. and its subsidiaries		-	-	-	-	-	10,226	3,373
LG Household & Health Care Ltd.		-	-	-	-	-	2,308	516
	₩	866,180 ₩	- ₩	1,833,886 ₩	- ₩	- ₩	12,534 ₩	4,256 ₩

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

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	2024								
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)			
				Loan	Repayment	Borrowing	Repayment		
Parent:									
LG Chem, Ltd.	₩	- ₩	- ₩	- ₩	- ₩	- ₩	- ₩	397	
Subsidiaries:									
LG Energy Solution (Nanjing) Co., Ltd.		731,087	-	-	-	-	-	-	
LG Energy Solution Technology (Nanjing) Co., Ltd.		39,789	-	-	-	-	-	-	
LG Energy Solution Michigan, Inc.		-	-	1,085,085	-	-	-	-	
LG Energy Solution Fund I LLC.		-	-	1,323	-	-	-	-	
L-H Battery Company, Inc.		-	-	941,368	-	-	-	-	
LG Energy Solution Battery (Nanjing) Co., Ltd.		26,526	-	-	-	-	-	-	
LG Energy Solution Arizona ESS, Inc.		-	-	62,799	-	-	-	-	
LG Energy Solution Arizona, Inc.		-	-	80,076	-	-	-	-	
LG Energy Solution Japan Co., Ltd.		-	-	535	-	-	-	-	
NextStar Energy Inc.		-	-	763,011	-	-	-	-	
LG Energy Solution Fund II LLC		-	-	19,300	-	-	-	-	
Associates and joint ventures:									
Sama Aluminium		150	-	-	-	-	-	-	
Nexpo Co., Ltd.		-	-	1,900	-	-	-	-	
Bricks Capital Management Global Battery Private Equity Fund I		-	-	5,762	-	-	-	-	
Others:									
LG Household & Health Care Ltd.		-	-	-	-	-	-	491	
	₩	797,552	₩	- ₩	2,961,159	₩	- ₩	- ₩	888

(*) 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 Company for the nine-month periods ended September 30, 2025 and 2024, is as follows (Korean won in millions):

	2025		2024	
Short-term employee benefits	₩	51,845	₩	25,394
Retirement benefits		4,051		6,767
	₩	55,896	₩	32,161

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

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

LG Energy Solution, Ltd.**Notes to the interim condensed separate 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****30. INTERIM CONDENSED SEPARATE 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):

	<u>2025</u>		<u>2024</u>
Loss before income tax	₩ (179,484)	₩	(809,935)
Adjustments for:			
- Depreciation	309,637		287,477
- Amortization	147,965		98,225
- Retirement benefits	63,600		64,656
- Financial income	(489,628)		(324,448)
- Financial costs	726,963		402,612
- Inventory valuation loss	30,691		22,531
- Gain on disposal of property, plant and equipment	(183)		(866)
- Loss on disposal of property, plant and equipment	17,670		29,368
- Loss on disposal of intangible assets	15		329
- Impairment loss on property, plant and equipment	9,426		6,848
- Impairment loss on intangible assets	161		-
- Contribution to provisions	185,289		537,988
- Dividend income	(866,180)		(797,552)
- Other income and expenses	1,292		723
- Changes in inventories	104,490		(417,050)
- Changes in trade receivables	293,756		240,990
- Changes in other receivables	(155,595)		555,490
- Changes in other assets	35,164		(6,223)
- Changes in trade payables	(306,045)		69,822
- Changes in other payables	(486,541)		(36,922)
- Changes in other liabilities	89,131		214,286
- Changes in net defined benefit liabilities	(4,905)		19
- Changes in provisions	(260,913)		(301,467)
Cash generated from operations	₩ (734,224)	₩	(163,099)

LG Energy Solution, Ltd.

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

	2025						
	Cash flows from						
	Beginning	financing activities	Reclassification of current portion	Amortization	Lease liabilities	Others	Ending
Short-term borrowings	₩ 33,039	₩ (27,775)	₩ 34,063	₩ -	₩ -	₩ -	₩ 39,327
Long-term borrowings	28,779	270,685	(34,063)	62	119,291	-	384,754
Debentures	7,900,440	4,377,777	-	12,107	-	(372,848)	11,917,476
	<u>₩ 7,962,258</u>	<u>₩ 4,620,687</u>	<u>₩ -</u>	<u>₩ 12,169</u>	<u>₩ 119,291</u>	<u>₩ (372,848)</u>	<u>₩ 12,341,557</u>

	2024						
	Cash flows from						
	Beginning	financing activities	Reclassification of current portion	Amortization	Lease liabilities	Others	Ending
Short-term borrowings	₩ 26,523	₩ (23,590)	₩ 31,355	₩ -	₩ -	₩ -	₩ 34,288
Long-term borrowings	33,094	-	(31,355)	-	35,523	-	37,262
Debentures	3,760,184	4,330,054	-	6,048	-	(61,154)	8,035,132
	<u>₩ 3,819,801</u>	<u>₩ 4,306,464</u>	<u>₩ -</u>	<u>₩ 6,048</u>	<u>₩ 35,523</u>	<u>₩ (61,154)</u>	<u>₩ 8,106,682</u>

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

	2025	2024
Reclassification of construction in progress	₩ 697,907	₩ 467,831
Changes in other payables related to acquisition of property, plant and equipment and intangible assets	(169,210)	(283,641)
Reclassification of debentures into current portion	1,183,614	124,866
Reclassification of machinery in transit	19,077	12,534
Reclassification of the investment in joint venture to subsidiary	-	209,133

LG Energy Solution, Ltd.

Notes to the interim condensed separate 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

31. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Contract liabilities:		
Advances from customers received as part of the Company's main business activities	₩ 55,707	₩ 60,396
Expected customer incentives	9	1,535
Unearned revenue	164,092	264,173
	<u>₩ 219,808</u>	<u>₩ 326,104</u>

(2) Revenue recognized in relation to contract liabilities

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

	<u>2025</u>		<u>2024</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Revenue recognized in the period from the beginning contract liabilities:				
Revenue in relation to advances from customers received as part of the Company's main business activities	₩ 91	₩ 24,705	₩ 16,288	₩ 37,773
Unearned revenue	519	259,548	12,988	34,913
	<u>₩ 610</u>	<u>₩ 284,253</u>	<u>₩ 29,276</u>	<u>₩ 72,686</u>

LG Energy Solution, Ltd.

Notes to the interim condensed separate 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

32. 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	₩ 295,305	₩ (82,448)	₩ (1,460)	₩ 211,397	₩ 309,299	₩ (81,804)	₩ (1,629)	₩ 225,866
Land	283	(15)	(35)	233	274	(11)	(35)	228
	<u>₩ 295,588</u>	<u>₩ (82,463)</u>	<u>₩ (1,495)</u>	<u>₩ 211,630</u>	<u>₩ 309,573</u>	<u>₩ (81,815)</u>	<u>₩ (1,664)</u>	<u>₩ 226,094</u>

(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):

	2025		2024	
	Land	Buildings	Land	Buildings
Beginning	₩ 228	₩ 225,866	₩ 240	₩ 212,410
Acquisition/Transfer	8	89	-	28,057
Disposal/Transfer	-	(10,080)	(8)	(8,000)
Depreciation	(3)	(4,478)	(4)	(6,601)
Ending	<u>₩ 233</u>	<u>₩ 211,397</u>	<u>₩ 228</u>	<u>₩ 225,866</u>

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

Rental income from investment properties under operating leases for the nine-month period ended September 30, 2025, is ₩5,693 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 ₩4,481 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 Company may obtain bank guarantees for the term of the lease.

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

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

	September 30, 2025	December 31, 2024
Less than one year	₩ 3,734	₩ 7,654
Between one year and two years	585	2,293
Between two and five years	41	174
	<u>₩ 4,360</u>	<u>₩ 10,121</u>