

LG ENERGY SOLUTION, LTD.

**Interim Condensed Separate Financial Statements
As of March 31, 2026, and December 31, 2025, and
For the Three-Month Periods Ended March 31, 2026 and 2025**

(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 May 12, 2026

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 March 31, 2026, and the related interim condensed separate statements of profit or loss, interim condensed separate statements of comprehensive income, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows, all expressed in Korean won, for the three-month periods ended March 31, 2026 and 2025, and a summary of significant 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, 2025, 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, 2026.

The accompanying separate statement of financial position as of December 31, 2025, presented for comparative purposes, is not different, in all material respects, from the above audited separate statement of financial position.

Deloitte idnjm LLC

May 12, 2026

This review report is effective as of May 12, 2026, 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 March 31, 2026, and December 31, 2025, and
for the three-month periods ended March 31, 2026 and 2025

“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 March 31, 2026, and December 31, 2025

(Korean won in millions)

	Notes		March 31, 2026		December 31, 2025
Assets					
Current assets					
Cash and cash equivalents	3,5,6	₩	785,009	₩	968,920
Trade receivables	3,5,7,29		1,771,264		1,707,802
Other receivables	3,5,7,29		1,725,921		1,350,143
Prepaid income taxes			11,722		10,340
Other current financial assets	3,5,8		80,327		45,743
Other current assets	13		151,651		127,519
Inventories	9		1,468,417		1,059,448
			<u>5,994,311</u>		<u>5,269,915</u>
Non-current assets					
Trade receivables	3,5,7		153,316		146,664
Other receivables	3,5,7,29		216,177		207,868
Other non-current financial assets	3,5,8		1,250,702		1,255,740
Investments in subsidiaries	10		16,182,817		16,107,321
Investments in associates and joint ventures	10		86,740		86,479
Deferred tax assets	27		1,861,497		1,834,569
Property, plant and equipment	11,18		4,752,880		4,718,491
Intangible assets	12		1,230,675		1,214,656
Investment properties	32		201,968		212,019
Other non-current assets	13,16		95,558		114,052
			<u>26,032,330</u>		<u>25,897,859</u>
Total assets		₩	<u>32,026,641</u>	₩	<u>31,167,774</u>
Liabilities					
Current liabilities					
Trade payables	3,5,29	₩	995,025	₩	817,740
Other payables	3,5,29		1,500,156		1,532,327
Borrowings	3,5,11,14,30		2,605,032		1,356,663
Other current financial liabilities	3,5,8		148,020		123,036
Current provisions	15		784,880		621,360
Other current liabilities	17,31		210,915		233,556
			<u>6,244,028</u>		<u>4,684,682</u>
Non-current liabilities					
Other payables	3,5,29		5,670		4,329
Borrowings	3,5,11,14,30		10,793,173		11,164,640
Other non-current financial liabilities	3,5,8		500		3,605
Non-current provisions	15		144,882		115,137
Other non-current liabilities	17,31		36,782		35,408
			<u>10,981,007</u>		<u>11,323,119</u>
Total liabilities			<u>17,225,035</u>		<u>16,007,801</u>
Equity					
Share capital	19		117,000		117,000
Capital surplus	19		17,589,722		17,589,722
Accumulated other comprehensive income			(54,119)		(54,705)
Accumulated deficit	20		(2,850,997)		(2,492,044)
Total equity			<u>14,801,606</u>		<u>15,159,973</u>
Total liabilities and equity		₩	<u>32,026,641</u>	₩	<u>31,167,774</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 periods ended March 31, 2026 and 2025

(Korean won in millions)

	<u>Notes</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Revenue	21,29,31	₩ 1,979,211	₩ 2,177,068
Cost of sales	21,22,29	1,691,487	1,735,915
Gross profit	21	287,724	441,153
Selling and administrative expenses	21,22,23,29	938,636	755,188
Operating loss	21	(650,912)	(314,035)
Finance income	5,24,29	636,218	166,181
Finance costs	5,24,29	699,557	172,355
Other non-operating income	25	434,156	89,263
Other non-operating expenses	26	88,859	61,056
Profit (loss) before income tax expense		(368,954)	(292,002)
Income tax benefit	27	10,776	64,076
Profit (loss) for the period		<u>₩ (358,178)</u>	<u>₩ (227,926)</u>
Earnings (loss) per share attributable to the equity holders of the Company (in Korean won)	28		
Basic or diluted earnings (loss) per share		₩ (1,531)	₩ (974)

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 periods ended March 31, 2026 and 2025**

(Korean won in millions)

	<u>Notes</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Profit (loss) for the period	₩	(358,178) ₩	(227,926)
Other comprehensive income (loss):			
Items that will not be subsequently reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities	16	(1,019)	881
Gain (loss) on valuation of financial assets at FVOCI	5,8	3,184	(2,621)
Income tax effect of other comprehensive income		<u>(518)</u>	<u>396</u>
		1,647	(1,344)
Items that may be subsequently reclassified to profit or loss:			
Loss on cash flow hedge	5,8	(2,414)	-
Income tax effect of other comprehensive income		<u>578</u>	<u>-</u>
		(1,836)	-
Other comprehensive income (loss) for the period, net of tax		<u>(189)</u>	<u>(1,344)</u>
Total comprehensive income (loss) for the period, net of tax	₩	<u>(358,367) ₩</u>	<u>(229,270)</u>

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

LG Energy Solution, Ltd.

**Interim condensed separate statements of changes in equity
For the three-month periods ended March 31, 2026 and 2025**

(Korean won in millions)

	Notes	Share capital	Capital surplus	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total
As of January 1, 2025		₩ 117,000	₩ 17,589,722	₩ (51,598)	₩ (1,938,044)	₩ 15,717,080
Comprehensive loss for the period:						
Loss for the period		-	-	-	(227,926)	(227,926)
Remeasurements of net defined benefit liabilities	16	-	-	-	681	681
Loss on valuation of financial assets at FVOCI	5,8	-	-	(2,025)	-	(2,025)
Total comprehensive loss for the period		-	-	(2,025)	(227,245)	(229,270)
As of March 31, 2025		<u>₩ 117,000</u>	<u>₩ 17,589,722</u>	<u>₩ (53,623)</u>	<u>₩ (2,165,289)</u>	<u>₩ 15,487,810</u>
As of January 1, 2026		₩ 117,000	₩ 17,589,722	₩ (54,705)	₩ (2,492,044)	₩ 15,159,973
Comprehensive loss for the period:						
Loss for the period		-	-	-	(358,178)	(358,178)
Remeasurements of net defined benefit liabilities	16	-	-	-	(775)	(775)
Gain on valuation of financial assets at FVOCI	5,8	-	-	2,422	-	2,422
Loss on cash flow hedge	5,8	-	-	(1,836)	-	(1,836)
Total comprehensive loss for the period		-	-	586	(358,953)	(358,367)
As of March 31, 2026		<u>₩ 117,000</u>	<u>₩ 17,589,722</u>	<u>₩ (54,119)</u>	<u>₩ (2,850,997)</u>	<u>₩ 14,801,606</u>

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 three-month periods ended March 31, 2026 and 2025

(Korean won in millions)

	<u>Notes</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
Cash flows from operating activities:			
Cash generated from operations	30	₩ (637,920)	₩ 68,501
Interest received		10,826	10,899
Interest paid		(141,687)	(122,181)
Dividends received		225,094	16,074
Income tax paid		(32,921)	(67,102)
Net cash used in operating activities		<u>(576,608)</u>	<u>(93,809)</u>
Cash flows from investing activities:			
Cash inflow from investing activities:			
Decrease in other non-current receivables		2,540	4,031
Proceeds from disposal of financial instruments		429,297	108
Proceeds from disposal of property, plant and equipment		7,929	292
Proceeds from disposal of intangible assets		1,543	-
Government grants received		596	2,000
		<u>441,905</u>	<u>6,431</u>
Cash outflow for investing activities:			
Increase in other non-current receivables		(2,366)	(3,003)
Acquisition of investments in subsidiaries		(75,496)	(1,003,901)
Acquisition of investments in associates		(261)	(2,636)
Acquisition of financial instruments		(3,105)	(12,056)
Acquisition of property, plant and equipment		(356,804)	(406,297)
Acquisition of intangible assets		(49,015)	(32,364)
Other cash outflow for investing activities		(81)	(146)
		<u>(487,128)</u>	<u>(1,460,403)</u>
Net cash used in investing activities		<u>(45,223)</u>	<u>(1,453,972)</u>
Cash flows from financing activities:			
Cash inflow from financing activity:			
Increase in borrowings	30	<u>1,097,529</u>	<u>1,865,485</u>
		1,097,529	1,865,485
Cash outflow for financing activity:			
Repayment of borrowings	30	<u>(661,553)</u>	<u>(8,775)</u>
		(661,553)	(8,775)
Net cash provided by financing activities		435,976	1,856,710
Net (decrease) increase in cash and cash equivalents		(185,855)	308,929
Cash and cash equivalents at the beginning of period		968,920	849,894
Effects of exchange rate changes on cash and cash equivalents		1,944	62
Cash and cash equivalents at the end of period		<u>₩ 785,009</u>	<u>₩ 1,158,885</u>

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

LG Energy Solution, Ltd.
Notes to interim condensed separate financial statements
As of March 31, 2026, and December 31, 2025, and
For the three-month periods ended March 31, 2026 and 2025

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 March 31, 2026, the Company is engaged in the battery industry with its manufacturing facilities located at 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 March 31, 2026. The largest shareholder of the Company is LG Chem, Ltd., which holds 79.38% 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 March 31, 2026.

1.2 Business Overview

The Company is engaged in providing energy solution services.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES:

2.1 Basis of Preparation

The Company’s interim condensed separate financial statements were prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”) 1034 *Interim Financial Reporting* as part of the period covered by the Company’s K-IFRSs annual separate financial statements, and these are separate financial statements prepared in accordance with K-IFRS 1027 *Separate Financial Statements*. In order to be understood, these interim condensed separate financial statements should be read in conjunction with the annual separate financial statements as of and for the fiscal year ended December 31, 2025, 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, 2025, except for the impacts related to the adoption of the standards or interpretations described below.

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

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

The amendments in *Amendments to the Classification and Measurement of Financial Instruments (Amendments to K-IFRS 1109 and K-IFRS 1107)* are:

Derecognition of a financial liability settled through electronic transfer

The amendments permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognized) before the settlement date if specified criteria are met. The company does not use electronic payment systems that are subject to the amendments and, therefore, the amendments do not have an impact on the consolidated financial statements.

Classification of financial assets

- *Contractual terms that are consistent with a basic lending arrangement.*
The amendments provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (“ESG”) concerns.
- *Assets with non-recourse features.*
The amendments enhance the description of the term ‘non-recourse,’ in particular to specify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- *Contractually linked instruments.*
The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Specifically, the amendments highlight that in such instruments a prioritisation of payments to the holders of financial assets using multiple contractually linked instruments (tranches) is established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of losses between the holders of different tranches. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

Disclosures

- *Investments in equity instruments designated at fair value through other comprehensive income (“FVOCI”).*
The requirements in K-IFRS 1107 are amended to require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the period and the fair value gain or loss that relates to investments held at the end of the period.
- *Contractual terms that could change the timing or amount of contractual cash flows.*
The amendments require an entity to disclose the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs. The requirements apply to each class of financial asset measured at amortized cost or FVOCI and each class of financial liability measured at amortized cost.

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

The amendments clarify that any gain or loss arising from the derecognition of lease liabilities should be recognized in profit or loss. The amendments also align the definition of transaction price with K-IFRS 1115.

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

The amendments revise the wording in K-IFRS 1110:B73-B74 regarding the determination of a de facto agent to address inconsistencies between the paragraphs and clarify that the de facto agent relationship described in B74 is one example of circumstances in which judgment is required.

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- Amendments to IFRS 9 and IFRS 7—*Contracts Referencing Nature-Dependent Electricity*

Amendments to IFRS 9 *Financial Instruments*

The following requirements of K-IFRS 1109 are affected by the amendments:

- The own-use requirements in K-IFRS 1109 are amended to include the factors an entity is required to consider when applying K-IFRS 1109:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and
- The hedge accounting requirements in K-IFRS 1109 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument:
 - to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and
 - to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

Amendments to K-IFRS 1107 *Financial Instruments: Disclosures*

K-IFRS 1107 was amended to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.

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

- K-IFRS 1118 *Presentation and Disclosures in Financial Statements*

K-IFRS 1118 replaces K-IFRS 1001, carrying forward many of the requirements in K-IFRS 1001 unchanged and complementing them with new requirements. K-IFRS 1118 is expected to enhance the comparability of financial performance among similar entities by providing users of financial statements with information that is useful in analyzing and comparing an entity's performance, with a particular focus on the statement of profit or loss.

When the Company prepares its financial statements by applying K-IFRS 1118, the principal accounting policy changes that may result in significant differences from the current financial statements are as follows. These matters do not include all differences that may arise in the future and may be subject to change based on the results of additional analysis.

- *Changes in the presentation of the statement of profit or loss.*
K-IFRS 1118 requires all income and expenses included in the statement of profit or loss to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. Under K-IFRS 1118, all income and expenses that are not classified in the investing, financing, income taxes or discontinued operations categories are classified in the operating category, and operating profit is defined as a residual category.
The Company is required to assess its main business activities in order to classify income and expenses into the appropriate categories. If the Company determines that investing in particular types of assets or providing financing to customers is a main business activity, income and expenses that would otherwise be classified in the investing or financing categories are classified instead in the operating category.

Accordingly, operating profit or loss under K-IFRS 1118 may differ significantly from operating profit or loss under the current K-IFRS 1001, which is defined as revenue less cost of sales and selling and administrative expenses. K-IFRS 1118 requires an entity to disclose operating profit or loss determined in accordance with the current K-IFRS 1001 in the notes, together with a reconciliation between operating profit or loss under K-IFRS 1118 and that under the current K-IFRS 1001.

In addition, K-IFRS 1118 requires an entity to present in the statement of profit or loss: 'operating profit or loss', comprising all income and expenses classified in the operating category; 'profit or loss before financing and income taxes', comprising operating profit or loss and all income and expenses classified in the investing category; and 'profit or loss' for the period. However, if the Company provides financing to customers as a main business activity, presentation of profit or loss before financing and income taxes may not be required depending on the accounting policy choice.

LG Energy Solution, Ltd.
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- *Introduction of disclosures for management-defined performance measures.*
K-IFRS 1118 introduces new disclosure requirements for management-defined performance measures (MPMs). MPMs are defined as subtotals of income and expenses that an entity uses in public communications outside financial statements, to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole, and that are not listed in paragraph 118 of K-IFRS 1118 or specifically required to be presented or disclosed by K-IFRS.

If the Company has MPMs, it is required to disclose why such measures provide useful information, how those measures are calculated, a reconciliation between those measures and the most directly comparable subtotal specified in K-IFRS 1118, the income tax effect of each reconciling item and the effect on non-controlling interests.

- *Changes in the classification of cash flows.*
In accordance with the issuance of K-IFRS 1118, certain amendments have been made to K-IFRS 1007 Statement of Cash Flows. Under these amendments, the starting point for determining net cash flows from operating activities under the indirect method has changed from profit or loss for the period to operating profit or loss, and the accounting policy choice regarding the classification of cash flows from interest and dividends has been eliminated.

K-IFRS 1118 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. An entity is required to apply K-IFRS 1118 retrospectively in accordance with K-IFRS 1008 *Accounting Policies, Changes in Accounting Estimates and Errors*. Accordingly, comparative information for the year ending December 31, 2027 will be restated in accordance with K-IFRS 1118. The amendments to K-IFRS 1007 and K-IFRS 1033, and the revised K-IFRS 1008 and K-IFRS 1107, resulting from the issuance of K-IFRS 1118 will become effective when K-IFRS 1118 is applied.

The Company has not applied K-IFRS 1118 because its mandatory effective date has not yet arrived, and expects to report its first interim financial statements for the annual reporting period ending December 31, 2027 in accordance with K-IFRS 1118.

Based on information available as of May 12, 2026, the Company has performed an overall preliminary assessment of the expected impact of applying K-IFRS 1118 and has identified the following potential impacts:

- *Changes in the statements of financial position, profit or loss and other financial statements.*
Based on the classification of income and expenses under K-IFRS 1118, gains or losses on disposal of property, plant and equipment and impairment losses or reversals of impairment losses on property, plant and equipment and intangible assets, which are currently classified as non-operating income or expenses, will be classified in the operating category. Interest income, dividend income and the Company's share of profit or loss of associates and joint ventures are expected to be classified in the investing category, while interest expense and gains or losses on redemption of debentures are expected to be classified in the financing category. Foreign exchange differences are expected to be classified in the same category as the income and expenses arising from the items that gave rise to those foreign exchange differences.

The Company is currently reviewing the potential impact of the enactments and amendments described above on its consolidated financial statements.

LG Energy Solution, Ltd.
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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 risks. 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 USD. Foreign exchange risk arises from forecast transactions and recognized assets and liabilities.

Management has set up a policy requiring each division of the Company to manage its foreign exchange risk against its functional currency. The Company operates a dedicated team for foreign exchange risk management and utilizes foreign exchange derivatives, such as forward exchange contracts and currency swaps as hedging instruments, while principally excluding transactions for trading purposes.

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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
USD	₩ 3,810,783	₩ 9,842,560	₩ 3,468,446	₩ 9,036,409
EUR	63,001	73,126	119,511	96,739
JPY	20,514	7,983	16,558	31,462
CNY and others	182,474	35,977	233,054	36,588

With all other variables held constant as of March 31, 2026, and December 31, 2025, a hypothetical change in exchange rates by 10% would have increased (decreased) the Company's profit before tax as follows (Korean won in millions):

	March 31, 2026		December 31, 2025	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ (603,178)	₩ 603,178	₩ (556,796)	₩ 556,796
EUR	(1,012)	1,012	2,277	(2,277)
JPY	1,253	(1,253)	(1,490)	1,490
CNY and others	14,650	(14,650)	19,647	(19,647)

The above sensitivity analysis has been performed for monetary assets and liabilities denominated in foreign currencies as of March 31, 2026, and December 31, 2025.

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As of March 31, 2026, 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):

	<u>Contractor</u>	<u>Contract amount (in millions)</u>	<u>Contract exchange rate</u>	<u>Contract inception date</u>	<u>Contract maturity</u>	<u>Book amount</u>			
						<u>Assets</u>	<u>Liabilities</u>		
Currency forward (*)	KB Kookmin Bank	USD 500	1,102.83	11.24.2020	04.16.2029	₩	177,035 ₩	-	
	JP Morgan	USD 200	1,337.60	09.25.2023	09.25.2026		39,045	-	
	Shinhan Bank	USD 200	1,337.60	09.25.2023	09.25.2026		35,660	-	
	KDB Bank	USD 400	1,337.60	09.25.2023	09.25.2028		77,674	-	
	Woori Bank	USD 200	1,337.60	09.25.2023	09.25.2028		38,841	-	
	DBS	USD 200	1,380.80	07.02.2024	07.02.2027		34,304	-	
	JP Morgan	USD 200	1,380.80	07.02.2024	07.02.2027		34,326	-	
	Shinhan Bank	USD 300	1,380.80	07.02.2024	07.02.2027		46,237	-	
	KB Kookmin Bank	USD 200	1,380.80	07.02.2024	07.02.2029		36,493	-	
	Woori Bank	USD 200	1,380.80	07.02.2024	07.02.2029		36,399	-	
	Korea Exim Bank	USD 200	1,380.80	07.02.2024	07.02.2029		36,497	-	
	IBK Securities	USD 100	1,380.80	07.02.2024	07.02.2029		18,132	-	
	KDB Bank	USD 100	1,380.80	07.02.2024	07.02.2029		18,145	-	
	KDB Bank	USD 400	1,380.80	07.02.2024	07.02.2034		85,634	-	
	Woori Bank	USD 100	1,380.80	07.02.2024	07.02.2034		21,406	-	
	Currency swap (*)	Hana Bank	USD 200	1,471.70	04.02.2025	04.02.2028		16,933	-
		JP Morgan	USD 100	1,471.70	04.02.2025	04.02.2028		10,071	-
SMBC		USD 100	1,471.70	04.02.2025	04.02.2028		8,216	-	
Shinhan Bank		USD 200	1,471.70	04.02.2025	04.02.2030		20,896	-	
Woori Bank		USD 100	1,471.70	04.02.2025	04.02.2030		10,486	-	
KDB Bank		USD 500	1,471.70	04.02.2025	04.02.2030		59,985	-	
Shinhan Bank		USD 100	1,471.70	04.02.2025	04.02.2030		11,947	-	
Woori Bank		USD 200	1,471.70	04.02.2025	04.02.2035		33,982	-	
Hanwha Securities		USD 200	1,471.70	04.02.2025	04.02.2035		33,955	-	
Hana Bank		USD 100	1,471.70	04.02.2025	04.02.2035		17,069	-	
KB Kookmin Bank		USD 100	1,471.70	04.02.2025	04.02.2035		16,954	-	
Credit Agricole		USD 50	1,471.70	04.02.2025	04.02.2035		9,486	-	
KDB Bank		USD 50	1,471.70	04.02.2025	04.02.2035		8,500	-	

(*) 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	
	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
Increase	₩ (3,000)	₩ 1,134	₩ (3,000)	₩ 1,134
Decrease	3,000	(1,134)	3,000	(1,134)

3) Price risk

The Company is exposed to price risks from equity instruments. As of March 31, 2026, the fair value of equity instruments is ₩77,060 million. With all other variables held constant, a price change in equity instruments by 10% would have changed the Company's equity by ₩7,706 million before tax.

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(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 three-month periods ended March 31, 2026 and for the year ended December 31, 2025, there were no changes in the provisions for trade receivables.

As of March 31, 2026, the carrying amount of trade receivables representing the maximum exposure to credit risk amounts to ₩1,924,580 million (as of December 31, 2025, ₩1,854,466 million).

2) Other financial assets at amortized cost

All of the financial assets at amortized cost are considered to have low credit risk, and the provisions recognized during the period were, therefore, limited to 12 months' expected losses. As of March 31, 2026, and December 31, 2025, 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's 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 interest (Korean won in millions):

	March 31, 2026			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Non-derivative instruments:				
Borrowings	₩ 3,173,934	₩ 2,445,100	₩ 7,677,646	₩ 2,340,781
Lease liabilities	35,956	31,796	84,709	207
Trade and other payables (*)	2,495,181	3,664	2,006	-
	<u>5,705,071</u>	<u>2,480,560</u>	<u>7,764,361</u>	<u>2,340,988</u>
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	(605,360)	(1,059,380)	(4,842,880)	(1,816,080)
Outflows	535,040	966,560	4,371,825	1,720,590
	<u>(70,320)</u>	<u>(92,820)</u>	<u>(471,055)</u>	<u>(95,490)</u>
	<u>₩ 5,634,751</u>	<u>₩ 2,387,740</u>	<u>₩ 7,293,306</u>	<u>₩ 2,245,498</u>
	December 31, 2025			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Non-derivative instruments:				
Borrowings	₩ 1,898,142	₩ 2,801,432	₩ 7,653,698	₩ 2,399,816
Lease liabilities	38,182	30,499	86,406	1,721
Trade and other payables (*)	2,350,067	1,936	2,393	-
	<u>4,286,391</u>	<u>2,833,867</u>	<u>7,742,497</u>	<u>2,401,537</u>
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	(573,960)	(1,004,430)	(4,591,680)	(1,721,880)
Outflows	535,040	966,560	4,371,825	1,720,590
	<u>(38,920)</u>	<u>(37,870)</u>	<u>(219,855)</u>	<u>(1,290)</u>
	<u>₩ 4,247,471</u>	<u>₩ 2,795,997</u>	<u>₩ 7,522,642</u>	<u>₩ 2,400,247</u>

(*) As of March 31, 2026, the carrying amount of liabilities classified as supplier financing arrangements was ₩738,767 million (as of December 31, 2025, was ₩760,567 million) (see Note 5.(3)).

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.

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2) As of March 31, 2026, and December 31, 2025, the Company has entered into swap contracts, to which cash flow hedge accounting is applied, to avoid fluctuations in the market price of raw materials (Korean won in millions):

	Purpose of the contracts	Hedged items	Financial institution	Maturity	March 31, 2026		December 31, 2025	
					Asset	Liability	Asset	Liability
Merchandise (raw materials) swap (*)	Cash flow hedge	Non-ferrous metal	SC, etc.	2028.12	₩ 5,667	₩ 4,914	₩ 3,166	-

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

3) Details of financial guaranteed contracts by maturity are as follows (Korean won in millions):

	March 31, 2026			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Financial guarantee contracts (*)	₩ 6,210,959	₩ -	₩ -	₩ -

	December 31, 2025			
	Less than 1 year	Between 1 year-2 years	Between 2-5 years	More than 5 years
Financial guarantee contracts (*)	₩ 5,289,336	₩ -	₩ -	₩ -

(*) The Company has provided financial guarantees for subsidiaries, etc., and the amount represents the maximum amount that can be required to guarantee as of March 31, 2026 and December 31, 2025. As of March 31, 2026, total maximum amount guaranteed under the executed guarantee agreements amounts to ₩13,434,247 million (as of December 31, 2025, was ₩12,026,096 million) (see Note 18).

3.2 Capital Risk Management

The Company's objectives for managing capital are to safeguard the Company's ability to continue to provide 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026		December 31, 2025	
Total borrowings (Note 14) (A)	₩	13,398,205	₩	12,521,303
Less: cash and cash equivalents (B)		(785,009)		(968,920)
Net debt (C=A+B)		12,613,196		11,552,383
Total liabilities (D)		17,225,035		16,007,801
Total equity (E)		14,801,606		15,159,973
Total capital (F=C+E)	₩	27,414,802	₩	26,712,356
Gearing ratio (C/F)		46.0%		43.2%
Debt-to-equity ratio (D/E)		116.4%		105.6%

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3.3 Fair Value Estimation

(1) The carrying amount and fair value of financial instruments by category as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets (current):				
Cash and cash equivalents	₩ 785,009	(*)	₩ 968,920	(*)
Trade receivables	1,771,264	(*)	1,707,802	(*)
Other receivables (excluding due from financial institutions)	1,725,921	(*)	1,350,143	(*)
Current derivative financial assets	5,622	5,622	3,166	3,166
Current derivative financial assets (currency swap)	74,705	74,705	42,577	42,577
Financial assets (non-current):				
Non-current trade receivables	153,316	(*)	146,664	(*)
Non-current other receivables (excluding due from financial institutions)	156,163	(*)	147,854	(*)
Due from financial institutions	60,014	(*)	60,014	(*)
Other non-current financial assets:				
Marketable financial assets	631	631	857	857
Non-marketable financial assets	287,482	287,482	781,224	781,224
Non-current derivative financial assets	42,986	42,986	40,713	40,713
Non-current derivative financial assets (currency forward)	177,035	177,035	137,663	137,663
Non-current derivative financial assets (currency swap)	742,568	742,568	295,283	295,283
Financial liabilities (current):				
Trade and other payables	2,495,181	(*)	2,350,067	(*)
Current borrowings (excluding lease liabilities)	2,572,834	(*)	1,322,230	(*)
Current derivative financial liabilities	4,414	4,414	-	-
Other current financial liabilities	143,606	(*)	123,036	(*)
Financial liabilities (non-current):				
Non-current borrowings (excluding lease liabilities)	10,683,197	11,180,835	11,052,634	11,772,338
Other non-current payables	5,670	(*)	4,329	(*)
Non-current derivative financial liabilities	500	500	-	-
Non-current derivative financial liabilities (currency swap)	-	-	3,605	3,605

(*) Fair values for these financial assets and liabilities are not disclosed above as their carrying amounts are reasonable approximations 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 of the Company's Korean won-denominated corporate bonds with the specified credit rating (AA0). The applied discount rates as of March 31, 2026, and December 31, 2025, are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Discount rate	3.13%–5.00%	3.05%–4.52%

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(3) Fair value hierarchy

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

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

As of March 31, 2026, and December 31, 2025, fair value hierarchy of the financial instruments that are consistently measured and recognized at fair value is as follows (Korean won in millions):

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Current derivative financial assets	₩	-	₩ 5,622	₩ 5,622
Current derivative financial assets (currency swap)	-	74,705	-	74,705
Non-current derivative financial assets	-	-	42,986	42,986
Non-current derivative financial assets (currency forward)	-	177,035	-	177,035
Non-current derivative financial assets (currency swap)	-	742,568	-	742,568
Other non-current financial assets (marketable financial assets)	631	-	-	631
Other non-current financial assets (non-marketable financial assets)	-	-	287,482	287,482
Current derivative financial liabilities	-	4,414	-	4,414
Non-current derivative financial liabilities	-	500	-	500
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	11,180,835	-	11,180,835

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Current derivative financial assets	₩	-	₩ 3,166	₩ 3,166
Current derivative financial assets (currency swap)	-	42,577	-	42,577
Non-current derivative financial assets	-	-	40,713	40,713
Non-current derivative financial assets (currency forward)	-	137,663	-	137,663
Non-current derivative financial assets (currency swap)	-	295,283	-	295,283
Other non-current financial assets (marketable financial assets)	857	-	-	857
Other non-current financial assets (non-marketable financial assets)	-	-	781,224	781,224
Non-current derivative financial liabilities (currency swap)	-	3,605	-	3,605
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	11,772,338	-	11,772,338

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, 2025. The following are the 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 certain portion of the taxable income is not used for investments, increase in wages or dividends, the Company is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income taxes is affected by these tax effects. As the Company's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty 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 recalled units, estimated total repair cost and cost-sharing ratio.

(3) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at March 31, 2026 (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 the Company's 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 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 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):

March 31, 2026					
Financial assets	Financial assets at amortized cost	Financial assets at FVPL	Financial assets at FVOCI (*1)	Other financial liabilities (*2)	Total
Cash and cash equivalents	₩ 785,009	₩ -	₩ -	₩ -	₩ 785,009
Trade receivables	1,771,264	-	-	-	1,771,264
Non-current trade receivables	153,316	-	-	-	153,316
Other current receivables	1,725,921	-	-	-	1,725,921
Other non-current receivables	216,177	-	-	-	216,177
Other current financial assets	-	74,705	-	5,622	80,327
Other non-current financial assets	-	1,173,597	77,060	45	1,250,702
	<u>₩ 4,651,687</u>	<u>1,248,302</u>	<u>₩ 77,060</u>	<u>₩ 5,667</u>	<u>₩ 5,982,716</u>

March 31, 2026			
Financial liabilities	Financial liabilities at amortized cost	Other financial liabilities (*2)	Total
Trade payables	₩ 995,025	₩ -	₩ 995,025
Other payables	1,500,156	-	1,500,156
Other non-current payables	5,670	-	5,670
Current borrowings	2,572,834	32,198	2,605,032
Non-current borrowings	10,683,197	109,976	10,793,173
Other current financial liabilities	143,606	4,414	148,020
Other non-current financial liabilities	-	500	500
	<u>₩ 15,900,488</u>	<u>₩ 147,088</u>	<u>₩ 16,047,576</u>

December 31, 2025					
Financial assets	Financial assets at amortized cost	Financial assets at FVPL	Financial assets at FVOCI (*1)	Other financial liabilities (*2)	Total
Cash and cash equivalents	₩ 968,920	₩ -	₩ -	₩ -	₩ 968,920
Trade receivables	1,707,802	-	-	-	1,707,802
Non-current trade receivables	146,664	-	-	-	146,664
Other current receivables	1,350,143	-	-	-	1,350,143
Other non-current receivables	207,868	-	-	-	207,868
Other current financial assets	-	42,577	-	3,166	45,743
Other non-current financial assets	-	1,181,864	73,876	-	1,255,740
	<u>₩ 4,381,397</u>	<u>1,224,441</u>	<u>₩ 73,876</u>	<u>₩ 3,166</u>	<u>₩ 5,682,880</u>

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Financial liabilities	December 31, 2025			
	Financial liabilities at amortized cost	Financial liabilities at FVPL	Other financial liabilities (*2)	Total
Trade payables	₩ 817,740	₩ -	₩ -	₩ 817,740
Other payables	1,532,327	-	-	1,532,327
Other non-current payables	4,329	-	-	4,329
Current borrowings	1,322,230	-	34,433	1,356,663
Non-current borrowings	11,052,634	-	112,006	11,164,640
Other current financial liabilities	123,036	-	-	123,036
Other non-current financial liabilities	-	3,605	-	3,605
	<u>₩ 14,852,296</u>	<u>₩ 3,605</u>	<u>₩ 146,439</u>	<u>₩ 15,002,340</u>

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

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

(2) Net gains (losses) on each category of financial instruments for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	March 31, 2026	March 31, 2025
Interest income:		
Financial assets at amortized cost	₩ 8,577	₩ 11,949
Financial assets at FVPL	1,622	12,979
Interest expense:		
Financial liabilities at amortized cost	(134,431)	(94,244)
Other financial liabilities	(1,186)	(513)
Gains on valuation or disposal:		
Financial assets at FVPL	(86,878)	-
Financial assets at FVOCI	3,184	(2,621)
Derivative instruments (*)	519,977	49,288
Exchange differences:		
Financial assets at amortized cost	177,779	(12,731)
Financial liabilities at amortized cost	(482,094)	15,834
Financial assets at FVPL	8,841	(896)

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

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(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 March 31, 2026, and December 31, 2025, the Company has entered into the following supplier financing arrangements (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Liabilities classified as accounts payable and other liabilities:		
The carrying amounts of accounts payable and other liabilities corresponding to supplier financing agreements (*) ₩	738,767 ₩	760,567
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	554,757	476,776

(*) Under the purchase card and business-to-business (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 interim condensed separate statements of financial position. In the interim condensed separate 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.

The payment term ranges for financial liabilities under supplier financing agreements and for comparable purchase liabilities not under supplier financing agreements 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Bank deposits and cash on hand	₩ 6,274	₩ 1,952
Cash equivalents	778,735	966,968
	<u>₩ 785,009</u>	<u>₩ 968,920</u>

(2) As of March 31, 2026, 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>			<u>December 31, 2025</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	₩ 1,771,264	₩ -	₩ 1,771,264	₩ 1,707,802	₩ -	₩ 1,707,802
Non-current trade receivables	153,316	-	153,316	146,664	-	146,664
Other current receivables	1,725,921	-	1,725,921	1,350,143	-	1,350,143
Other non-current receivables	216,177	-	216,177	207,868	-	207,868
	<u>₩ 3,866,678</u>	<u>₩ -</u>	<u>₩ 3,866,678</u>	<u>₩ 3,412,477</u>	<u>₩ -</u>	<u>₩ 3,412,477</u>

(2) Details of other receivables as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:		
Non-trade receivables	₩ 1,713,391	₩ 1,300,195
Accrued income	250	10,181
Guarantee deposits provided	12,280	39,767
	<u>1,725,921</u>	<u>1,350,143</u>
Non-current:		
Non-trade receivables	106,777	125,792
Deposits from financial institutions (*)	60,014	60,014
Loans	1,800	1,800
Guarantee deposits provided	47,586	20,262
	<u>216,177</u>	<u>207,868</u>
	<u>₩ 1,942,098</u>	<u>₩ 1,558,011</u>

(*) As of March 31, 2026, the deposits 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.

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(3) The aging analysis of trade and other receivables as of March 31, 2026, and December 31, 2025, is as follows (Korean won in millions):

	March 31, 2026		December 31, 2025	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Receivables not past due	₩ 1,843,686	₩ 1,939,200	₩ 1,819,236	₩ 1,545,302
Past due, but not impaired:				
Up to 3 months	80,894	2,898	35,230	12,368
Between 3-6 months	-	-	-	326
More than 6 months	-	-	-	15
	80,894	2,898	35,230	12,709
Impaired receivables	-	-	-	-
	<u>₩ 1,924,580</u>	<u>₩ 1,942,098</u>	<u>₩ 1,854,466</u>	<u>₩ 1,558,011</u>

(4) For the three-month periods ended March 31, 2026, and for the year ended December 31, 2025, there were no changes in the provisions.

(5) The fair values of trade receivables and other receivables as of March 31, 2026, and December 31, 2025, are not significantly different from their carrying amounts.

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8. OTHER FINANCIAL ASSETS AND LIABILITIES:

(1) Details of other financial assets and liabilities as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Other financial assets:		
Financial assets at FVOCI	₩ 77,060	₩ 73,876
Cash flow hedge	5,667	3,166
Financial assets at FVPL	<u>1,248,302</u>	<u>1,224,441</u>
	<u>₩ 1,331,029</u>	<u>₩ 1,301,483</u>
Other financial liabilities:		
Financial guarantee contracts	₩ 143,606	₩ 123,036
Cash flow hedge	4,914	-
Financial liabilities at FVPL	<u>-</u>	<u>3,605</u>
	<u>₩ 148,520</u>	<u>₩ 126,641</u>

(2) Details of changes in equity securities included in other financial assets for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Beginning (*1)	₩ 73,876	₩ 91,312
Acquisitions/transfer (*2)	517,025	2,000
Disposal (*2)	(433,293)	(2,762)
Valuation gain (loss) (before income tax deduction), profit or loss item (*2)	(83,732)	-
Valuation gain (loss) (before income tax deduction), other comprehensive income item	<u>3,184</u>	<u>(16,674)</u>
Ending (*1)	<u>₩ 77,060</u>	<u>₩ 73,876</u>

(*1) 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.	-

(*2) During the current period, the Company exercised the conversion right attached to the convertible bond issued by Liontown Resources Ltd., acquired equity instruments upon conversion, and subsequently disposed of the entire holding.

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9. INVENTORIES:

(1) Details of inventories as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026			December 31, 2025		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Merchandise	₩ 183,589	₩ (4,999)	₩ 178,590	₩ 172,528	₩ (4,463)	₩ 168,065
Finished/semifinished products	880,320	(145,911)	734,409	767,080	(127,244)	639,836
Raw materials	460,850	(4,777)	456,073	216,915	(3,724)	213,191
Supplies	8,552	(8,391)	161	8,630	(7,923)	707
Materials in transit	99,184	-	99,184	37,649	-	37,649
	<u>₩ 1,632,495</u>	<u>₩ (164,078)</u>	<u>₩ 1,468,417</u>	<u>₩ 1,202,802</u>	<u>₩ (143,354)</u>	<u>₩ 1,059,448</u>

(2) The amount of inventories expensed as cost of sales for the three-month periods ended March 31, 2026 and 2025, was ₩1,545,762 million and ₩1,701,740 million, respectively.

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10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:

(1) Changes in investments in subsidiaries and associates for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Beginning	₩ 16,193,800	₩ 13,449,510
Acquisitions	75,757	3,047,386
Disposals/impairments	-	(303,096)
Ending	<u>₩ 16,269,557</u>	<u>₩ 16,193,800</u>

(2) Details of investments in subsidiaries and associates as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>Location</u>	<u>Percentage of ownership (%)</u>		<u>Carrying amount</u>	
		<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	China	100	100	₩ 1,138,401	₩ 1,138,401
LG Energy Solution Michigan Inc.	USA	100	100	7,015,998	7,015,998
LG Energy Solution Battery (Nanjing) Co., Ltd.	China	100	100	323,438	323,438
LG Energy Solution Wroclaw sp. z o.o.	Poland	100	100	2,299,898	2,299,898
LG Energy Solution Australia Pty Ltd.	Australia	100	100	429	429
LG Energy Solution Technology (Nanjing) Co., Ltd.	China	100	100	788,171	788,171
LG Energy Solution Europe GmbH	Germany	100	100	34,729	34,729
LG Energy Solution (Taiwan), Ltd.	Taiwan	100	100	827	827
Areum noori Co., Ltd.	Korea	100	100	500	500
LG Energy Solution Fund I LLC	USA	100	100	22,447	22,045
LG Energy Solution Vertech Inc.	USA	100	100	16,168	16,168
LG Energy Solution Arizona, Inc.	USA	100	100	417,527	343,802
Baterias De Castilla S.L.	Spain	100	100	4	4
L-H Battery Company, Inc.	USA	51	51	2,469,304	2,469,304
LG Energy Solution India Private Ltd.	India	100	100	563	563
LG Energy Solution Arizona ESS, Inc.	USA	100	100	37,164	37,164
NextStar Energy Inc. (*1)	Canada	100	51	1,342,085	1,342,085
LG Energy Solution Fund II LLC	USA	100	100	51,322	49,953
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.	China	100	100	14,174	14,174
				<u>16,182,817</u>	<u>16,107,321</u>
Associates:					
Sama Aluminium Co., Ltd. (*2)	Korea	10.2	10.2	35,521	35,521
Nexpo Co., Ltd. (*3)	Korea	19.0	19.0	6,649	6,649
Bricks Capital Management Global Battery Private Equity Fund I	Korea	59.9	59.9	19,849	19,588
Jeju Bukchon BESS Power Plant Co., Ltd. (*4)	Korea	10.0	10.0	900	900
PT LBM Energi Baru Indonesia (*5)	Indonesia	20.0	20.0	22,107	22,107
EV-LOOP (*6)	France	50.0	50.0	1,714	1,714
				<u>86,740</u>	<u>86,479</u>
				<u>₩ 16,269,557</u>	<u>₩ 16,193,800</u>

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- (*1) During the current period, the Company acquired, for consideration of USD 100, the entire equity interest of Stellantis N.V. (USD 980 million, ownership interest of 49%) in NextStar Energy Inc., a joint venture with Stellantis N.V.
- (*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, occur.
- (*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, occur.
- (*4) 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) 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, occur. 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.
- (*6) Under the terms of the agreement, the Company may exercise the right to request the sale of its held shares if the counterparty shareholder breaches major contractual obligations, and the counterparty shareholder may exercise the right to purchase the shares held by the Company if the Company breaches major contractual obligations. In addition, if certain events occur, such as the expiration of the contract period, each shareholder may exercise the right to purchase the shares held by the other party.

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11. PROPERTY, PLANT AND EQUIPMENT:

(1) Changes in property, plant and equipment for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Beginning	₩ 4,718,491	₩ 4,059,252
Acquisition	176,513	1,411,085
Replacement	(6,151)	(289,974)
Disposal	(7,951)	(30,844)
Depreciation	(127,228)	(419,176)
Impairment	(794)	(11,852)
Ending	<u>₩ 4,752,880</u>	<u>₩ 4,718,491</u>

(2) The current ending balances of property, plant and equipment include ₩1,044,760 million of construction in progress as of March 31, 2026, and some of it will subsequently be transferred to intangible assets (as of December 31, 2025, was ₩1,023,113 million).

(3) The Company capitalized ₩8,933 million of borrowing costs in relation to acquisition of property, plant and equipment (for the three-month period ended March 31, 2025, was ₩10,726 million). The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 4.05% (for the three-month period ended March 31, 2025, was 4.14%).

(4) Line items, including depreciation in the interim condensed separate statements of profit or loss for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Cost of sales	₩ 71,083	₩ 53,021
Selling and administrative expenses	56,145	45,735
	<u>₩ 127,228</u>	<u>₩ 98,756</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 three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Right-of-use assets (*):		
Buildings	₩ 129,390	₩ 135,121
Lands	318	338
Vehicles	6,577	5,766
	<u>₩ 136,285</u>	<u>₩ 141,225</u>

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

Additions to the right-of-use assets for the three-month period ended March 31, 2026, are ₩6,139 million (for the three-month period ended March 31, 2025, were ₩3,015 million).

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	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Lease liabilities (*):		
Current	₩ 32,198	₩ 34,433
Non-current	109,976	112,006
	<u>₩ 142,174</u>	<u>₩ 146,439</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 periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Depreciation of right-of-use assets:		
Buildings	₩ 9,785	₩ 6,711
Land	21	18
Vehicles	1,158	1,458
	<u>₩ 10,964</u>	<u>₩ 8,187</u>
Interest expense relating to lease liabilities (included in finance cost)	₩ 1,186	₩ 513
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	772	263
Expense relating to leases of low-value assets that are not short-term leases (included in cost of goods sold and administrative expenses)	1,388	1,783

Total cash outflow for leases for the three-month period ended March 31, 2026, is ₩14,726 million (for the three-month period ended March 31, 2025, was ₩10,809 million).

12. INTANGIBLE ASSETS:

(1) Changes in intangible assets for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Beginning	₩ 1,214,656	₩ 918,174
Acquisition	49,015	156,469
Replacement	23,687	342,191
Disposal	(1,400)	(1,941)
Amortization	(55,283)	(200,076)
Impairment	-	(161)
Ending	<u>₩ 1,230,675</u>	<u>₩ 1,214,656</u>

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(2) Line items, including amortization of intangibles in the interim condensed separate statements of profit or loss for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
Cost of sales	₩	1,682	₩	1,969
Selling and administrative expenses		53,601		46,340
	₩	55,283	₩	48,309

(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 amount of 300,000 tons of allocated greenhouse gas emission rights.

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

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

2) The amount of allocated greenhouse gas emission rights for the domestic fourth plan period (2026-2030) is as follows (tons in thousands):

	2026	2027	2028	2029	2030
Allocated emission rights	331	328	324	321	317

2) Changes in greenhouse gas emission rights included in intangible assets for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (ton in thousands and Korean won in millions):

	2026			
	2025		2026	
	Ton	Amount	Ton	Amount
Beginning/allocated	297	₩ -	331	₩ -
Purchase/sale	-	-	-	-
Borrowing/carried over	9	-	-	-
Government submission	-	-	-	-
Ending	306	₩ -	331	₩ -

	2025			
	2024		2025	
	Ton	Amount	Ton	Amount
Beginning/allocated	419	₩ -	297	₩ -
Purchase/sale	(2)	-	-	-
Borrowing/carried over	(9)	-	9	-
Government submission	(408)	-	-	-
Ending	-	₩ -	306	₩ -

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13. OTHER CURRENT AND NON-CURRENT ASSETS:

Details of other current and non-current assets as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:		
Prepayments	₩ 2,138	₩ 1,790
Prepaid expenses	104,020	52,707
Prepaid value-added tax	16,157	48,184
Others	29,336	24,838
	<u>₩ 151,651</u>	<u>₩ 127,519</u>
Non-current:		
Long-term prepayments	₩ 1,242	₩ 1,245
Long-term prepaid expenses	8,133	8,293
Net defined benefit assets	86,183	104,514
	<u>₩ 95,558</u>	<u>₩ 114,052</u>

14. BORROWINGS:

(1) Borrowings as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:		
Short-term borrowings	₩ 300,000	₩ -
Current portion of debentures	2,272,834	1,322,230
Current lease liabilities	32,198	34,433
	<u>2,605,032</u>	<u>1,356,663</u>
Non-current:		
Long-term borrowings	4,493	274,350
Debentures	10,678,704	10,778,284
Non-current lease liabilities	109,976	112,006
	<u>₩ 10,793,173</u>	<u>₩ 11,164,640</u>
	<u>₩ 13,398,205</u>	<u>₩ 12,521,303</u>

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(2) Details of borrowings as of March 31, 2026, and December 31, 2025, are as follows: (Korean won in millions)

		Currency	Bank	Longest Maturity date	Interest rate (%)	March 31, 2026		December 31, 2025	
						Current portion	Non-current portion	Current portion	Non-current portion
Short-term borrowings	Bank loans	KRW	Korea Exim Bank	07.23.2026	3M market yield on Supply Chain Resilience Fund + 0.05	₩ 300,000	₩ -	₩ -	₩ -
						<u>₩ 300,000</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>
Long-term borrowings	Bank loans	KRW	Shinhan Capital and others	11.30.2028	4.20 and others	₩ -	₩ 4,493	₩ -	₩ 274,350
						<u>₩ -</u>	<u>₩ 4,493</u>	<u>₩ -</u>	<u>₩ 274,350</u>
Debtentures (*)	Public	KRW	Korea Investment & Securities Co., Ltd. and others	03.05.2036	4.613 and others	₩ 1,670,000	₩ 3,025,000	₩ 750,000	₩ 3,525,000
	Private	Foreign currencies	Citibank and others	04.02.2035	5.875 and other	605,360	7,718,340	573,960	7,317,990
	Less: discount on debtentures					(2,526)	(64,636)	(1,730)	(64,706)
						<u>₩ 2,272,834</u>	<u>₩ 10,678,704</u>	<u>₩ 1,322,230</u>	<u>₩ 10,778,284</u>
						<u>₩ 2,572,834</u>	<u>₩ 10,683,197</u>	<u>₩ 1,322,230</u>	<u>₩ 11,052,634</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. Of the current period, the relevant amount is ₩4.7 trillion, and the covenant ratios have been complied with.

(3) Lease liabilities (Korean won in millions)

	March 31, 2026			
	Interest rate (%)	Longest maturity date	Amount	Current portion / Non-current portion
Y22 Project Financing Investment Ltd and others	2.21-4.20	05.31.2040	₩ 142,174	₩ 32,198 / ₩ 109,976
	December 31, 2025			
	Interest rate (%)	Longest maturity date	Amount	Current portion / Non-current portion
Baeksan industry and others	2.21-4.85	05.31.2040	₩ 146,439	₩ 34,433 / ₩ 112,006

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15. PROVISIONS:

Changes in provisions for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

March 31, 2026								
	Warranty (*1)		Greenhouse gas emission (*2)		Other provisions (*3)		Total	
Beginning	₩	615,219	₩	433	₩	120,845	₩	736,497
Provision transfer		276,484		303		6,982		283,769
Used		(90,504)		-		-		(90,504)
Ending		801,199		736		127,827		929,762
Less: current portion		(665,147)		(736)		(118,997)		(784,880)
	₩	<u>136,052</u>	₩	<u>-</u>	₩	<u>8,830</u>	₩	<u>144,882</u>

December 31, 2025								
	Warranty (*1)		Greenhouse gas emission (*2)		Other provisions (*3)		Total	
Beginning	₩	699,865	₩	74	₩	118,070	₩	818,009
Provision transfer		385,222		359		2,775		388,356
Used		(469,868)		-		-		(469,868)
Ending		615,219		433		120,845		736,497
Less: current portion		(507,914)		(433)		(113,013)		(621,360)
	₩	<u>107,305</u>	₩	<u>-</u>	₩	<u>7,832</u>	₩	<u>115,137</u>

(*1) Warranty provisions have been accrued for the estimated warranty costs expected to arise in connection with products sold, including quality assurance, exchanges and refunds. Such estimates are determined primarily based on historical claims rate and other relevant factors. In addition, provisions have been recognized based on the best estimates for voluntary recalls and external replacement costs etc., related to automotive and ESS batteries, etc. The provision amount is adjusted to reflect the best estimate. As of three-month period ended March 31, 2026, the amount of the provision for warranty obligations, which was estimated based on the historical claims rate, etc., amounted ₩312,486 million (₩265,839 million as of December 31, 2025).

(*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 102 thousand tons for the three-month period ended March 31, 2026 (for the year ended December 31, 2025, were 396 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Present value of defined benefit liabilities (*1)	₩ 677,138	₩ 681,248
Fair value of plan assets (*2)	<u>(763,321)</u>	<u>(785,762)</u>
	<u>₩ (86,183)</u>	<u>₩ (104,514)</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 March 31, 2025 (as of December 31, 2025, was ₩25 million).

(*2) The ₩86,183 million of net defined benefit assets is included in the 'Other non-current assets' as of March 31, 2025 (as of December 31, 2025, was ₩104,514 million).

(2) The amounts recognized in the interim condensed separate statements of profit or loss for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Current service cost	₩ 21,329	₩ 22,663
Net interest cost	<u>(1,307)</u>	<u>(1,463)</u>
	<u>₩ 20,022</u>	<u>₩ 21,200</u>

(3) Retirement benefits recognized for the defined contribution plan for the three-month period ended March 31, 2026, amounted to ₩1,385 million (for the three-month period ended March 31, 2025, amounted to ₩789 million).

(4) Retirement benefits recognized in the interim condensed separate statements of profit or loss for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Cost of sales	₩ 7,178	₩ 8,042
Selling and administrative expenses	<u>14,229</u>	<u>13,947</u>
	<u>₩ 21,407</u>	<u>₩ 21,989</u>

(5) Changes in the present value of defined benefit obligations for the three-month periods ended March 31, 2026, and for the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Beginning	₩ 681,248	₩ 665,108
Transfer in	179	664
Transfer out	(373)	(1,282)
Current service cost	21,329	89,396
Past service cost	-	8,209
Interest expense	8,368	25,498
Remeasurements:		
Actuarial loss from change in financial assumption	-	(78,204)
Actuarial loss from change in demographic assumption	-	32
Actuarial gain due to difference between the estimated and the actual	-	41,436
Others	-	104
Payments from plans	<u>(33,613)</u>	<u>(69,713)</u>
Ending	<u>₩ 677,138</u>	<u>₩ 681,248</u>

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(6) Changes in the fair value of plan assets for the three-month periods ended March 31, 2026, and for the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Beginning	₩ 785,762	₩ 807,842
Transfer out	(212)	(107)
Interest income	9,675	32,650
Remeasurements:		
Return on plan assets (excluding amounts included in interest income)	(1,019)	(2,613)
Contribution:		-
Employer contribution to plan assets	-	10,000
Payments from plans	(30,517)	(60,592)
Administrative costs	(368)	(1,418)
Ending	<u>₩ 763,321</u>	<u>₩ 785,762</u>

(7) The actual return on plan assets for the three-month period ended March 31, 2026, was ₩8,656 million (for the three-month period ended March 31, 2025, was ₩9,044 million).

(8) The significant actuarial assumptions as of March 31, 2026, and December 31, 2025, are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Discount rate	5.00%	5.00%
Salary growth rate	3.96%	3.96%

(9) The sensitivity analysis for changes in key actuarial assumptions as of March 31, 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	₩ (72,602)	₩ 85,825
Salary growth rate:		
Increase (decrease) in defined benefit liabilities	89,604	(76,687)

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

The above sensitivity analyses are 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	<u>Amount</u>	<u>Composition (%)</u>	<u>Amount</u>	<u>Composition (%)</u>
Insurance contracts with guaranteed yield	₩ 763,321	100	₩ 785,762	100

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

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17. OTHER CURRENT AND NON-CURRENT LIABILITIES:

Details of other current and non-current liabilities as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current:		
Advances received	₩ 90,794	₩ 81,684
Withholdings	8,837	35,470
Unearned revenues	5,264	29,096
Accrued expenses and others	<u>106,020</u>	<u>87,306</u>
	<u>₩ 210,915</u>	<u>₩ 233,556</u>
Non-current:		
Long-term employee benefits	₩ 33,550	₩ 33,889
Long-term unearned revenues	1,492	1,519
Long-term advances from customers	<u>1,740</u>	<u>-</u>
	<u>₩ 36,782</u>	<u>₩ 35,408</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 March 31, 2026, the Company has been guaranteed by the Seoul Guarantee Insurance Company for the execution of contracts and others.
- (3) As of March 31, 2026, the Company has various specific lines of credit agreements with several financial institutions as follows (Korean won in millions and USD in millions):

	<u>March 31, 2026 (*1)</u>	
	<u>Currency</u>	<u>Amount</u>
Limit of letter of credit	USD	12
Limit of discount of notes from export	USD	720
Limit of guaranteed payments in other foreign currency (*2)	USD	339
B2B purchase arrangements	KRW	125,000
	USD	25
General loan agreements	KRW	1,230,000
Bond transfer transaction	KRW	100,000

(*1) As of the end of the reporting period, the Company has entered into derivative agreements with financial institutions to manage certain risks.

(*2) The Company has entered into payment guarantee contracts with financial institutions within agreed limits in relation to quality and bid guarantees.

(4) The Company provides performance guarantees of USD 29,005 million, EUR 1 million, CAD 1,279 million and others for subsidiaries.

(5) The Company has been sued and related in six class actions by consumers in relation to the sales of mobile batteries and GM Bolt EV, and actions are still in process as of March 31, 2026. The Company also has filed two lawsuit cases (amounted to USD 234 million) and been sued in other 35 other cases (amounted to USD 1 million and ₩2,561 million). The ultimate outcome of these pending cases cannot be determined at the reporting date.

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- (6) 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 the Company provides in relation to its business.
- (7) 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 March 31, 2026. The Company has decided to provide a payment guarantee of USD 510 million, determined by its proportionate ownership of the borrowed amount up to a maximum limit of USD 1,000 million. In addition, under specific conditions, including contract expiry or counterparty breach of obligations, both parties may exercise put options on their own shares and call options on the counterparty's shares and rights of first refusal over the joint venture assets.
- (8) The Company has decided to contribute USD 1,464 million and has contributed USD 1,020 million as of March 31, 2026. In addition, the Company has decided to provide a payment guarantee of the borrowed amount up to a maximum limit of USD 1,344 million.
- (9) As of March 31, 2026, the Company has entered into a joint venture agreement with Hyundai Motor Group in relation to PT. HLI Green Power and has resolved to provide a payment guarantee of up to USD 315 million, corresponding to its ownership interest, in respect of borrowings of up to USD 629 million incurred by the joint venture. Under specific conditions, including counterparty breach of obligations, both parties may exercise put options on their own shares and call options on the counterparty's shares. The Company holds rights of first refusal upon disposal of joint venture-owned facilities or termination of the license agreement, and both parties hold such rights upon any transfer of the counterparty's shares.
- (10) The Company has decided to contribute USD 1,106 million to LG Energy Solution Arizona, Inc. and has contributed USD 309 million as of March 31, 2026. 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.
- (11) The Company has decided to contribute USD 1,173 million to LG Energy Solution Arizona ESS, Inc. and has contributed USD 198 million as of March 31, 2026. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,173 million.
- (12) As of March 31, 2026, the Company has decided to provide a payment guarantee up to a maximum limit of USD 2,439 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 assets of the third Ultium Cells LLC plant (Lansing), and the amount executed under this guarantee amounted to USD 514 million as of March 31, 2026.
- (13) The Company has provided a guarantee with respect to certain advances, which may result in an obligation to refund amounts to non-controlling shareholders if Ultium Cells LLC fails to fulfill its obligations.
- (14) Capital expenditure arrangements that have not been incurred as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Property, plant and equipment	₩ 246,218	₩ 332,448

- (15) Investment commitments as of March 31, 2026, are as follows (Korean won and USD in millions, EUR in thousands):

	<u>Currency</u>	<u>Contractual amount</u>	<u>Total investments</u>	<u>Remaining amount</u>
BNZ (Beyond Net Zero) Fund	USD	75	59	16
Secondary Battery Growth Fund	KRW	6,700	6,700	-
KBE (Korea Battery ESG) Fund	KRW	75,000	62,173	12,827
Bricks Capital Management Global Battery Private Equity Fund I	KRW	30,000	19,849	10,151
Yonsei Technology Holdings IP Fund	KRW	3,000	3,000	-
EV-LOOP	EUR	8,750	1,000	7,750

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(16) As of March 31, 2026, and December 31, 2025, 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)	
			March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
		SMBC	₩ 17,334	₩ 21,072	₩ 86,669	₩ 84,286
		DBS	-	168,572	-	168,572
		EIB	184,893	269,715	832,018	809,146
		KDB Bank/ Korea Exim Bank	114,836	167,518	459,343	446,716
	LG Energy Solution Wroclaw sp. z odor	KDB Bank/ Korea Exim Bank/ NH Bank	595,846	695,360	953,354	927,146
		KDB Bank/ Korea Exim Bank	43,334	63,215	173,337	168,572
LG Energy Solution Ltd.		KDB Bank/ Korea Exim Bank	21,667	31,607	86,669	84,286
		KDB Bank/ Korea Exim Bank	21,667	31,607	86,669	84,286
	LG Energy Solution Michigan Inc.	KDB Bank/ Korea Exim Bank and others	272,412	258,282	1,664,740	1,578,390
		HSBC and others	1,206,180	1,020,214	2,025,686	1,920,614
	NextStar Energy Inc.	EDC, Citi and others	2,034,464	983,757	2,034,464	983,757
	L-H Battery Company, Inc. PT. HLI	MUFG	461,557	389,683	771,834	731,799
	Green Power	ANZ and others	458,966	451,276	475,964	451,276
			<u>₩ 5,433,156</u>	<u>₩ 4,551,878</u>	<u>₩ 9,650,747</u>	<u>₩ 8,438,846</u>

(*1) The amounts represent borrowed amount as of March 31, 2026, and December 31, 2025.

(*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 three-month period ended March 31, 2026, are as follows (Korean won in millions and in shares):

	Ordinary shares		Share premium
	Number of shares	Share capital	
December 31, 2025	234,000,000 ₩	117,000 ₩	17,589,722
Changes	-	-	-
March 31, 2026	234,000,000 ₩	117,000 ₩	17,589,722

20. ACCUMULATED DEFICIT:

Details of accumulated deficit as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026	December 31, 2025
Undisposed accumulated deficit	₩ (2,850,997)	₩ (2,492,044)

21. OPERATING LOSSES:

(1) The major items encompassed in the calculation of operating losses for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026	2025
Revenue	₩ 1,979,211	₩ 2,177,068
Cost of sales	<u>1,691,487</u>	<u>1,735,915</u>
Gross profit	287,724	441,153
Selling and administrative expenses:		
Wages and salaries	225,545	209,423
Retirement benefits	14,229	13,947
Employee benefits	50,111	49,843
Travel expenses	14,694	14,842
Water and utilities	25,579	24,150
Rental expenses	12,738	11,158
Commission expenses	92,865	162,777
Depreciation	57,591	47,321
Advertising expenses	3,874	4,148
Freight expenses	3,887	16,304
Training expenses	3,622	3,788
Amortization	53,601	46,340
Sample expenses	2,373	958
Development costs	58,327	54,727
Addition of warranty provisions	276,484	60,453
Others	<u>43,116</u>	<u>35,009</u>
	938,636	755,188
Operating losses	₩ (650,912)	₩ (314,035)

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(2) Sales for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>
Sales recognized at a point in time	₩ 1,581,810	₩	1,781,688
Sales recognized over time	397,401		395,380
	<u>₩ 1,979,211</u>	<u>₩</u>	<u>2,177,068</u>

22. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses by nature for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>
Changes in inventories of merchandise, finished goods, semifinished goods and work in process	₩ (105,098)	₩	4,206
Raw materials and consumables used	862,894		1,018,997
Purchase of merchandise	216,443		190,746
Employee benefit expenses	385,886		373,382
Advertising expenses	3,874		4,150
Freight expenses	5,235		18,111
Commission expenses	113,057		181,695
Depreciation and amortization	183,957		148,650
Rent expenses and usage fee	1,717		2,087
Transfers to provisions for warranties	276,484		60,453
Other expenses	685,674		488,626
	<u>₩ 2,630,123</u>	<u>₩</u>	<u>2,491,103</u>

23. EMPLOYEE BENEFIT EXPENSES:

Details of employee benefit expenses for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>
Wages and salaries	₩ 321,309	₩	306,384
Retirement benefits: defined benefit plan	20,022		21,200
Retirement benefits: defined contribution plan	1,385		789
Others	43,170		45,009
	<u>₩ 385,886</u>	<u>₩</u>	<u>373,382</u>

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24. FINANCE INCOME AND COSTS:

Details of finance income and costs for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>	
Finance income:				
Interest income (*1)	₩	10,199	₩	24,928
Exchange differences		103,628		91,028
Gain on derivative instruments		<u>522,391</u>		<u>50,225</u>
	₩	<u>636,218</u>	₩	<u>166,181</u>
Finance costs:				
Interest expense (*2)	₩	126,683	₩	84,031
Exchange differences		485,996		87,387
Loss on derivative instruments		-		937
Loss on valuation of financial assets at FVPL		83,732		-
Loss on disposal of financial assets at FVPL		<u>3,146</u>		<u>-</u>
	₩	<u>699,557</u>	₩	<u>172,355</u>

(*1) Details of interest income for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>	
Cash and cash equivalents and others	₩	6,725	₩	10,154
Financial assets at FVPL		1,622		12,979
Other loans and receivables		<u>1,852</u>		<u>1,795</u>
	₩	<u>10,199</u>	₩	<u>24,928</u>

(*2) Details of interest expense for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>	
Interest on financial institutions	₩	3,276	₩	1,480
Interest on lease liabilities		1,186		513
Interest on debentures		123,500		86,594
Other interest expenses		7,654		6,170
Capitalized interest for qualifying assets		<u>(8,933)</u>		<u>(10,726)</u>
	₩	<u>126,683</u>	₩	<u>84,031</u>

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25. OTHER NON-OPERATING INCOME:

Details of other non-operating income for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Exchange differences	₩ 167,420	₩ 53,472
Gain on disposal of property, plant and equipment	5	84
Gain on disposal of intangible assets	820	-
Dividend income	225,094	16,111
Others	40,817	19,596
	<u>₩ 434,156</u>	<u>₩ 89,263</u>

26. OTHER NON-OPERATING EXPENSES:

Details of other non-operating expenses for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Exchange differences	₩ 80,525	₩ 54,906
Loss on disposal and impairment of property, plant and equipment	8,213	4,521
Loss on disposal and impairment of intangible assets	11	69
Donations	3	24
Others	107	1,536
	<u>₩ 88,859</u>	<u>₩ 61,056</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.

The Company is subject to Pillar Two income taxes, and there are no additional Pillar Two income taxes to be borne by the parent company for the three-month periods ended March 31, 2026. The exception provisions have been applied to the recognition and disclosure of deferred income taxes.

28. EARNINGS (LOSSES) PER SHARE:

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

(1) Basic earnings (losses) per ordinary share for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Losses attributable to ordinary shares	₩ (358,178)	₩ (227,926)
Weighted-average number of ordinary shares outstanding	234,000,000	234,000,000
Basic losses per ordinary share (in Korean won)	<u>₩ (1,531)</u>	<u>₩ (974)</u>

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

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29. RELATED-PARTY TRANSACTIONS:

- (1) As of March 31, 2026, the parent company is LG Chem, Ltd. (percentage of ownership: 79.38%) 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 March 31, 2026, 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 Sports Ltd.			
LG Display, Inc.	NANUMNURI CO., LTD	LG Display America, Inc. 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 (*)
LG Uplus Corp.	LG HelloVision Corp. and others	LG UPLUS FUND I LLC and others	
HS AD Inc.		GIIR America Inc. and others	

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

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(3) Transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026				
	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.	₩ 7,709	₩ 5,868	₩ -	₩ 6	₩ 825
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	356,985	301,652	-	-	35
LG Energy Solution Michigan, Inc.	267,164	3	-	-	7,433
LG Energy Solution Battery (Nanjing) Co., Ltd.	9,177	99,919	-	-	-
LG Energy Solution Wroclaw sp. z o.o.	114,638	8,743	-	-	418
LG Energy Solution Australia Pty Ltd.	-	-	-	-	5,343
LG Energy Solution Technology (Nanjing) Co., Ltd.	56,606	308,404	-	-	-
LG Energy Solution Europe GmbH	4,027	-	-	-	12,876
Areum noori Co., Ltd.	8	-	-	-	2,995
LG Energy Solution Vertech Inc.	34,041	-	-	-	(61,650)
LG Energy Solution Arizona, Inc.	2,284	-	-	-	1,959
L-H Battery Company, Inc.	1,734	54	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	354
LG Energy Solution Japan Co., Ltd.	-	-	-	-	698
HL-GA BATTERY COMPANY LLC	132,843	-	-	-	-
PT. HLI Green Power	6,010	-	-	-	-
NextStar Energy Inc.	2,715	5	-	-	-
Associates:					
Sama Aluminium	-	363	-	-	-
Nexpo Co., Ltd.	-	14	-	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	5	-	-	-	-
PT LBM Energi Baru Indonesia	29,383	-	-	-	-
Other related parties:					
LG Corp.	-	-	-	-	11,082
HAENGBOKNURI CO., LTD.	1	-	-	-	192
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	9,412	-	-	-
LG HY BCM Co., Ltd.	-	2,361	-	-	262
TECWIN Co., Ltd.	-	-	6,232	-	-
LG Management Development Institute	-	-	-	-	7,008
D&O Co., Ltd. and its subsidiaries	23	-	1,277	-	2,264
LG CNS Co., Ltd. and its subsidiaries	15,383	12	17,666	-	41,285
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	19,887	11,716	16,548	41	5,265
Others	21	-	229	13	1,418
	<u>₩ 1,060,644</u>	<u>₩ 748,526</u>	<u>₩ 41,952</u>	<u>₩ 60</u>	<u>₩ 40,062</u>

(*) Dividends received and other income are included.

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	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.	₩ 8,788	₩ 8,494	₩ -	₩ 2	₩ 527
Subsidiaries:					
LG Energy Solution (Nanjing) Co., Ltd.	200,187	457,453	-	-	-
LG Energy Solution Michigan, Inc.	52,843	75	-	-	7,539
LG Energy Solution Battery (Nanjing) Co., Ltd.	-	125,090	-	-	2,357
LG Energy Solution Wroclaw sp. z o.o.	401,815	3,748	-	-	4,406
LG Energy Solution Australia Pty Ltd.	-	-	-	-	7,636
LG Energy Solution Technology (Nanjing) Co., Ltd.	18,435	343,742	-	-	2
Ultium Cells LLC	154,394	-	-	-	-
LG Energy Solution Europe GmbH	4,004	-	-	-	9,731
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	465
Areum noori Co., Ltd.	4	-	-	-	3,113
LG Energy Solution Vertech Inc.	14,686	-	-	-	3,347
LG Energy Solution Arizona, Inc.	-	-	-	-	1,897
L-H Battery Company, Inc.	6,890	-	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	1,539
LG Energy Solution Japan Co., Ltd.	-	-	-	-	752
HL-GA BATTERY COMPANY LLC	133,878	-	-	-	-
PT. HLI Green Power	9,384	15	-	-	3,452
NextStar Energy Inc.	2,858	9	-	-	-
Associates:					
Sama Aluminium	-	290	-	-	-
Mintech Co., Ltd.	-	-	59	-	-
Other related parties:					
LG Corp.	-	-	-	-	9,199
HAENGBOKNURI CO., LTD.	1	-	-	-	271
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	9,046	-	-	-
TECWIN Co., Ltd.	-	-	11,740	-	-
LG Management Development Institute	-	-	-	-	8,677
D&O Co., Ltd. and its subsidiaries	22	-	1,526	-	2,206
LG CNS Co., Ltd. and its subsidiaries	7,808	10	28,387	-	43,458
Others:					
LG Electronics Inc., Ltd. and its subsidiaries	35,423	5,954	17,195	-	65,162
Others	7	-	-	2	628
	<u>₩ 1,051,427</u>	<u>₩ 953,926</u>	<u>₩ 58,907</u>	<u>₩ 4</u>	<u>₩ 176,364</u>

(*) Dividends received and other income are included.

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(4) Balances of receivables and payables from related parties as of March 31, 2026, and December 31, 2025, are as follows
(Korean won in millions):

	March 31, 2026						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem, Ltd.	₩ 277	₩ 15,719	₩ 15,996	₩ 1,484	₩ 778	₩ 8,224	₩ 10,486
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	45,809	65,947	111,756	221,259	-	32	221,291
LG Energy Solution Michigan, Inc.	199,734	236,173	435,907	-	-	8,393	8,393
LG Energy Solution Battery (Nanjing) Co., Ltd.	5,158	183	5,341	71,480	-	8	71,488
LG Energy Solution Wroclaw sp. z o.o.	52,333	153,761	206,094	5,704	-	1,525	7,229
LG Energy Solution Australia Pty Ltd.	2,132	61	2,193	-	-	4,551	4,551
LG Energy Solution Technology (Nanjing) Co., Ltd.	45,783	-	45,783	200,233	-	16,989	217,222
LG Energy Solution Europe GmbH	5,173	4,636	9,809	-	-	46,579	46,579
Areum noori Co., Ltd.	-	-	-	-	-	2,185	2,185
LG Energy Solution Vertech Inc.	381,342	632,692	1,014,034	-	-	83,833	83,833
LG Energy Solution Arizona, Inc.	-	1,656	1,656	-	-	1,178	1,178
L-H Battery Company, Inc.	-	2,455	2,455	54	-	-	54
LG Energy Solution India Private Ltd.	-	-	-	-	-	176	176
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	293	293
HL-GA BATTERY COMPANY LLC	-	107,109	107,109	658	-	-	658
PT. HLI Green Power	-	9,828	9,828	-	-	-	-
NextStar Energy Inc.	-	38,408	38,408	24	-	5	29
Associates:							
Sama Aluminium	-	-	-	274	-	45	319
Nexpo Co., Ltd.	-	-	-	15	-	-	15
Jeju Bukchon BESS Power Plant Co., Ltd.	-	-	-	-	-	240	240
PT LBM Energi Baru Indonesia	-	50,331	50,331	-	-	-	-
Other related parties:							
LG Corp.	-	2,904	2,904	-	-	1,160	1,160
HAENGBOKNURI CO., LTD.	-	-	-	-	-	70	70
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	-	-	6,241	-	-	6,241
LG HY BCM Co., Ltd.	-	-	-	380	-	2,269	2,649
TECWIN Co., Ltd.	-	-	-	-	-	6,405	6,405
LG Management Development Institute	-	-	-	-	-	817	817
D&O Co., Ltd. and its subsidiaries	-	234	234	-	-	1,875	1,875
LG CNS Co., Ltd. and its subsidiaries	16,922	-	16,922	-	-	44,516	44,516
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*)	22,269	9,973	32,242	2,090	1,734	31,448	35,272
Others	-	815	815	-	1,710	3,280	4,990
	<u>₩ 776,932</u>	<u>₩ 1,332,885</u>	<u>₩ 2,109,817</u>	<u>₩ 509,896</u>	<u>₩ 4,222</u>	<u>₩ 266,096</u>	<u>₩ 780,214</u>

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

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	December 31, 2025						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem, Ltd.	₩ 895	₩ 6,225	₩ 7,120	₩ 999	₩ -	₩ 4,656	₩ 5,655
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	28,607	124,901	153,508	235,057	-	-	235,057
LG Energy Solution Michigan, Inc.	220,412	170,146	390,558	23,051	-	10,900	33,951
LG Energy Solution Battery (Nanjing) Co., Ltd.	-	-	-	64,454	-	1,323	65,777
LG Energy Solution Wroclaw sp. z o.o.	25,502	118,364	143,866	-	-	343	343
LG Energy Solution Australia Pty Ltd.	2,143	12	2,155	-	-	1,872	1,872
LG Energy Solution Technology (Nanjing) Co., Ltd.	11,551	2,424	13,975	167,635	-	11,748	179,383
Ultium Cells LLC	-	33,306	33,306	-	-	-	-
LG Energy Solution Europe GmbH	3,144	14,629	17,773	-	-	42,090	42,090
LG Energy Solution (Taiwan), Ltd.	-	-	-	-	-	328	328
Areumnoori Co., Ltd.	-	-	-	-	-	1,084	1,084
LG Energy Solution Vertech Inc.	379,822	517,753	897,575	-	-	68,927	68,927
LG Energy Solution Arizona, Inc.	-	2,034	2,034	-	-	946	946
L-H Battery Company, Inc.	-	5,877	5,877	82	-	-	82
LG Energy Solution India Private Ltd.	-	-	-	-	-	263	263
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	262	262
HL-GA BATTERY COMPANY LLC	-	-	-	658	-	336	994
PT. HLI Green Power	-	21,946	21,946	-	-	-	-
NextStar Energy Inc.	-	21,546	21,546	18	-	1	19
Associates:							
Sama Aluminium	-	-	-	178	-	170	348
Nexpo Co., Ltd.	-	-	-	12	-	-	12
Jeju Bukchon BESS Power Plant Co., Ltd.	-	-	-	-	-	240	240
PT LBM ENERGI BARU INDONESIA	-	34,835	34,835	-	-	-	-
Other related parties:							
LG Corp.	-	2,904	2,904	-	-	-	-
LG Chem Poland Sp. z o.o.	-	-	-	24	-	-	24
HAENGBOKNURI CO., LTD.	-	-	-	-	-	104	104
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	-	-	3,193	-	-	3,193
LG HY BCM Co., Ltd.	-	-	-	93	-	1,708	1,801
TECWIN Co., Ltd.	-	-	-	-	-	2,984	2,984
LG Management Development Institute	-	-	-	-	-	656	656
D&O Co., Ltd. and its subsidiaries	-	-	-	-	-	1,312	1,312
LG CNS Co., Ltd. and its subsidiaries	19,817	-	19,817	-	-	130,039	130,039
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*)	31,391	9,023	40,414	2,077	4,334	43,475	49,886
Others	-	815	815	-	1,955	3,653	5,608
	<u>₩ 723,284</u>	<u>₩ 1,086,740</u>	<u>₩ 1,810,024</u>	<u>₩ 497,531</u>	<u>₩ 6,289</u>	<u>₩ 329,420</u>	<u>₩ 833,240</u>

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

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(5) Fund transactions with related parties for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026								
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)			
				Loan	Repayment	Borrowing	Repayment		
Parent:									
LG Chem, Ltd.	₩	- ₩	- ₩	- ₩	- ₩	- ₩	- ₩	107	
Subsidiaries:									
LG Energy Solution (Nanjing) Co., Ltd.		225,094	-	-	-	-	-	-	
LG Energy Solution Fund I LLC.		-	-	403	-	-	-	-	
LG Energy Solution Arizona, Inc.		-	-	73,725	-	-	-	-	
LG Energy Solution Fund II LLC		-	-	1,368	-	-	-	-	
Associates:									
Bricks Capital Management Global Battery Private Equity Fund I		-	-	261	-	-	-	-	
Others:									
LG Electronics Inc., Ltd.		-	-	-	-	-	-	2,573	
LG Household & Health Care Ltd.		-	-	-	-	-	-	231	
	₩	225,094	₩	- ₩	75,757	₩	- ₩	- ₩	2,911

(*) The amounts represent lease liabilities that were recognized or repaid during the three-month period ended March 31, 2026.

	2025								
	Dividends received	Dividends paid	Equity contribution in cash and others	Loan transactions		Borrowing transactions (*)			
				Loan	Repayment	Borrowing	Repayment		
Parent:									
LG Chem, Ltd.	₩	- ₩	- ₩	- ₩	- ₩	- ₩	- ₩	135	
Subsidiaries:									
LG Energy Solution (Nanjing) Co., Ltd.		14,173	-	-	-	-	-	-	
LG Energy Solution Michigan, Inc.		-	-	445,255	-	-	-	-	
LG Energy Solution Fund I LLC.		-	-	505	-	-	-	-	
L-H Battery Company, Inc.		-	-	532,446	-	-	-	-	
LG Energy Solution Fund II LLC		-	-	11,521	-	-	-	-	
Areum noori Co., Ltd.		1,900	-	-	-	-	-	-	
LG Energy Solution China Co., Ltd.		-	-	14,174	-	-	-	-	
Associates:									
Sama Aluminium		38	-	-	-	-	-	-	
Nexpo Co., Ltd.		-	-	2,375	-	-	-	-	
Bricks Capital Management Global Battery Private Equity Fund I		-	-	262	-	-	-	-	
Others:									
LG Household & Health Care Ltd.		-	-	-	-	-	-	166	
	₩	16,111	₩	- ₩	1,006,538	₩	- ₩	- ₩	301

(*) The amounts represent lease liabilities that were recognized or repaid during the three-month period ended March 31, 2025.

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(6) Compensation for key management of the Company for the three-month periods ended March 31, 2026 and 2025, is as follows (Korean won in millions):

	2026		2025	
Short-term employee benefits	₩	16,824	₩	21,502
Retirement benefits		1,342		1,472
	₩	18,166	₩	22,974

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

(7) As of March 31, 2026 and December 31, 2025, the payment guarantees provided by the Company for related parties are disclosed in Note 18.

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30. INTERIM CONDENSED SEPARATE STATEMENTS OF CASH FLOWS:

(1) Details of cash generated from operations for the three-month periods ended March 31, 2026 and 2025, are as follows
(Korean won in millions):

	<u>2026</u>	<u>2025</u>
Loss before income tax	₩ (368,954)	₩ (292,002)
Adjustments for:		
- Depreciation	128,674	100,341
- Amortization	55,283	48,309
- Retirement benefits	20,022	21,200
- Financial income	(688,449)	(137,623)
- Financial costs	695,269	133,135
- Foreign exchange differences	1,271	-
- Loss on valuation of inventory	20,724	4,339
- Gain on disposal of property, plant and equipment	(5)	(84)
- Gain on disposal of intangible assets	(820)	-
- Loss on disposal of property, plant and equipment	7,420	508
- Loss on disposal of intangible assets	11	10
- Impairment of property, plant and equipment	793	4,013
- Impairment of intangible assets	-	59
- Contribution to provisions	276,787	60,466
- Dividend income	(225,094)	(16,111)
- Other income and expenses	655	316
- Changes in inventories	(429,693)	51,453
- Changes in trade receivables	(2,921)	167,981
- Changes in other receivables	(301,794)	(85,956)
- Changes in other assets	(23,969)	84,484
- Changes in trade payables	150,316	(20,282)
- Changes in other payables	160,695	(106,652)
- Changes in other liabilities	(20,927)	136,594
- Changes in net defined benefit liabilities	(2,710)	(2,354)
- Changes in provisions	(90,504)	(83,643)
Cash generated from operations	<u>₩ (637,920)</u>	<u>₩ 68,501</u>

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(2) Changes in liabilities from financing activities for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026						
	Cash flows from financing activities		Reclassification of Current portion	Amortization	Lease liabilities	Exchange differences and others	Ending
	Beginning	Ending					
Short-term borrowings	₩ 34,433	₩ 288,621	₩ 9,144	₩ -	₩ -	₩ -	₩ 332,198
Long-term borrowings	386,356	(270,182)	(9,144)	324	7,115	-	114,469
Debentures	12,100,514	417,537	-	4,834	-	428,653	12,951,538
	<u>₩ 12,521,303</u>	<u>₩ 435,976</u>	<u>₩ -</u>	<u>₩ 5,158</u>	<u>₩ 7,115</u>	<u>₩ 428,653</u>	<u>₩ 13,398,205</u>

	2025						
	Cash flows from financing activities		Reclassification of Current portion	Amortization	Lease liabilities	Exchange differences and others	Ending
	Beginning	Ending					
Short-term borrowings	₩ 33,039	₩ (8,250)	₩ 5,480	₩ -	₩ -	₩ -	₩ 30,269
Long-term borrowings	28,779	269,595	(5,480)	15	1,318	-	294,227
Debentures	7,900,440	1,595,365	-	3,101	-	(12,126)	9,486,780
	<u>₩ 7,962,258</u>	<u>₩ 1,856,710</u>	<u>₩ -</u>	<u>₩ 3,116</u>	<u>₩ 1,318</u>	<u>₩ (12,126)</u>	<u>₩ 9,811,276</u>

(3) Material non-cash transactions for the three-month periods ended March 31, 2026 and 2025, are as follows (Korean won in millions):

	2026	2025
Reclassification of construction in progress	₩ 142,679	₩ 252,111
Changes in other payables related to acquisition of property, plant and equipment and intangible assets	(187,936)	(197,456)
Reclassification of debentures into current portion	950,604	379,731
Reclassification of machinery in transit	7,342	6,902

31. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

(1) Liabilities related to contracts with customers as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	March 31, 2026	December 31, 2025
Contract liabilities:		
Advances from customers received as part of the Company's main business activities	₩ 82,752	₩ 74,604
Expected customer incentives	396	9
Unearned revenue	6,470	30,458
	<u>₩ 89,618</u>	<u>₩ 105,071</u>

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(2) Revenue recognized in relation to contract liabilities

Revenue recognized from the carried-forward contract liabilities for the three-month periods ended March 31, 2026 and 2025, is as follows (Korean won in millions):

	<u>2026</u>	<u>2025</u>
Revenue recognized in the current period from the beginning contract liabilities:		
Revenue in relation to advances from customers received as part of the Company's main business activities	₩ 296	₩ 17,441
Unearned revenue	25,997	133,421
	<u>₩ 26,293</u>	<u>₩ 150,862</u>

32. INVESTMENT PROPERTIES:

(1) Details of investment properties as of March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>				<u>December 31, 2025</u>			
	<u>Acquisition cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>	<u>Acquisition cost</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment</u>	<u>Book value</u>
Buildings	₩ 285,815	₩ (82,651)	₩ (1,427)	₩ 201,737	₩ 297,194	₩ (83,947)	₩ (1,460)	₩ 211,787
Land	283	(18)	(34)	231	283	(17)	(34)	232
	<u>₩ 286,098</u>	<u>₩ (82,669)</u>	<u>₩ (1,461)</u>	<u>₩ 201,968</u>	<u>₩ 297,477</u>	<u>₩ (83,964)</u>	<u>₩ (1,494)</u>	<u>₩ 212,019</u>

(2) Changes in investment properties for the three-month periods ended March 31, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	<u>2026</u>		<u>2025</u>	
	<u>Land</u>	<u>Buildings</u>	<u>Land</u>	<u>Buildings</u>
Beginning	₩ 232	₩ 211,787	₩ 228	₩ 225,866
Acquisition/transfer	-	-	8	164
Disposal/transfer	-	(8,605)	-	(8,302)
Depreciation	(1)	(1,445)	(4)	(5,941)
Ending	<u>₩ 231</u>	<u>₩ 201,737</u>	<u>₩ 232</u>	<u>₩ 211,787</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 March 31, 2026, is ₩215,888 million (as of December 31, 2025, was ₩221,868 million).

Rental income from investment properties under operating lease for the year ended March 31, 2026, is ₩3,177 million, and operating expenses incurred for investment properties that generated rental income (including maintenance and repair expenses) for the three-month period ended March 31, 2026, are ₩1,446 million.

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As of March 31, 2026, and December 31, 2025, and
For the three-month periods ended March 31, 2026 and 2025

(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 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 March 31, 2026, and December 31, 2025, are as follows (Korean won in millions):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Less than one year	₩ 12,297	₩ 2,289
Between one year and two years	1,943	173
	<u>₩ 14,240</u>	<u>₩ 2,462</u>

33. EVENT AFTER THE REPORTING PERIOD:

On March 3, 2026, the management committee of the Company resolved to issue unsecured foreign currency-denominated debentures. Pursuant to such resolution, the Company issued foreign currency-denominated debentures in the amount of USD 1,600 million on April 2, 2026. The details are as follows (USD in millions):

	<u>Maturity date</u>	<u>Amount</u>
Unsecured foreign currency-denominated debenture (3-year maturity)	04.02.2029	300
Unsecured foreign currency-denominated debenture (5-year maturity)	04.02.2031	800
Unsecured Global Green Bond (10-year maturity)	04.02.2036	500