LG ENERGY SOLUTION, LTD.

Interim Condensed Separate Financial Statements
As of June 30, 2026, and December 31, 2025, and
For the Three-Month and Six-Month Periods
Ended June 30, 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 August 11, 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 June 30, 2026, and the related interim condensed separate statements of profit or loss and interim condensed separate statements of comprehensive income (loss) for the three-month and six-month periods ended June 30, 2026 and 2025, the interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for the six-month periods ended June 30, 2026 and 2025, all expressed in Korean won, and a summary of material accounting policies and other explanatory information.

Management's responsibility for the interim condensed separate financial statements

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

Auditor's responsibility

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

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

Conclusion

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

Other matters

We have audited the separate statement of financial position as of December 31, 2025, and the related separate statement of profit or loss, separate statement of comprehensive income (loss), 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 Anjin LLC

August 11, 2026

This review report is effective as of August 11, 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 June 30, 2026, and December 31, 2025, and
for the Three-Month and Six-Month Periods Ended June 30, 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 June 30, 2026, and December 31, 2025

(Korean won in millions)

	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	3,5,6	₩ 1,823,433	₩ 968,920
Trade receivables	3,5,7,29	1,804,195	1,707,802
Other receivables	3,5,7,29	2,118,251	1,350,143
Prepaid income taxes	27	3,762	10,340
Other current financial assets	3,5,8	95,739	45,743
Other current assets	13	187,805	127,519
Inventories	9	1,524,865	1,059,448
		7,558,050	5,269,915
Non-current assets			
Trade receivables	3,5,7	150,018	146,664
Other receivables	3,5,7,29	339,107	207,868
Other non-current financial assets	3,5,8	1,412,368	1,255,740
Investments in subsidiaries	10	16,553,015	16,107,321
Investments in associates	10	86,740	86,479
Deferred tax assets	27	1,883,073	1,834,569
Property, plant and equipment	11,18	4,779,878	4,718,491
Intangible assets	12	1,268,839	1,214,656
Investment properties	32	201,098	212,019
Other non-current assets	13,16	77,078	114,052
		26,751,214	25,897,859
Total assets		₩ 34,309,264	₩ 31,167,774
Liabilities			
Current liabilities			
Trade payables	3,5,29	₩ 1,117,702	₩ 817,740
Other payables	3,5,29	1,425,611	1,532,327
Borrowings	3,5,11,14,30	2,254,968	1,356,663
Other current financial liabilities	3,5,8	187,571	123,036
Provisions	15	868,344	621,360
Other current liabilities	17,31	298,125	233,556
		6,152,321	4,684,682
Non-current liabilities			
Other payables	3,5,29	15,521	4,329
Borrowings	3,5,11,14,30	13,374,836	11,164,640
Other non-current financial liabilities	3,5,8	259	3,605
Provisions	15	134,076	115,137
Other non-current liabilities	17,31	37,894	35,408
		13,562,586	11,323,119
Total liabilities		19,714,907	16,007,801
Equity			
Share capital	19	117,000	117,000
Capital surplus	19	17,589,722	17,589,722
Accumulated other comprehensive loss		(46,146)	(54,705)
Accumulated deficit	20	(3,066,219)	(2,492,044)
Total equity		14,594,357	15,159,973
Total liabilities and equity		₩ 34,309,264	₩ 31,167,774

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

LG Energy Solution, Ltd.
Interim condensed separate statements of profit or loss
For the three-month and six-month periods ended June 30, 2026 and 2025

(Korean won in millions)

		June 30, 2026		June 30, 2025	
	Notes	**Three months**	**Six months**	**Three months**	**Six months**
Revenue	21,29,31	₩ 2,713,557	₩ 4,692,768	₩ 1,744,834	₩ 3,921,902
Cost of sales	21,22,29	2,166,825	3,858,312	1,409,517	3,145,431
Gross profit		546,732	834,456	335,317	776,471
Selling and administrative expenses	21,22,23,29	1,254,786	2,193,422	548,661	1,303,849
Operating loss	21	(708,054)	(1,358,966)	(213,344)	(527,378)
Finance income	5,24,29	414,520	1,050,738	621,249	787,430
Finance costs	5,24,29	483,262	1,182,819	845,048	1,017,403
Other non-operating income	25	680,934	1,115,090	670,460	759,722
Other non-operating expenses	26	61,015	149,874	228,758	289,814
Profit (loss) before income tax expense (benefit)		(156,877)	(525,831)	4,559	(287,443)
Income tax expense (benefit)	27	56,932	46,156	(6,793)	(70,869)
Profit (loss) for the period		₩ (213,809)	₩ (571,987)	₩ 11,352	₩ (216,574)
Earnings (loss) per share attributable to the equity holders of the Company (in Korean won)	28				
Basic or diluted earnings (loss) per share		₩ (914)	₩ (2,444)	₩ 49	₩ (926)

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 (loss)
For the three-month and six-month periods ended June 30, 2026 and 2025

(Korean won in millions)

		June 30, 2026		June 30, 2025	
	Notes	**Three months**	**Six months**	**Three months**	**Six months**
Profit (loss) for the period		₩ (213,809)	₩ (571,987)	₩ 11,352	₩ (216,574)
Other comprehensive income (loss):					
Items that will not be subsequently reclassified to profit or loss:					
Remeasurements of net defined benefit liabilities	16	(1,857)	(2,876)	149	1,030
Gain (loss) on valuation of financial assets at fair value through other comprehensive income (“FVOCI”)	5,8	977	4,161	(7,533)	(10,154)
Income tax effect of other comprehensive income		211	(307)	1,663	2,059
		(669)	978	(5,721)	(7,065)
Items that may be subsequently reclassified to profit or loss:					
Gain on cash flow hedge	5,8	9,501	7,087	-	-
Income tax effect of other comprehensive income		(2,272)	(1,694)	-	-
		7,229	5,393	-	-
Other comprehensive income (loss) for the period, net of tax		6,560	6,371	(5,721)	(7,065)
Total comprehensive income (loss) for the period, net of tax		₩ (207,249)	₩ (565,616)	₩ 5,631	₩ (223,639)

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

LG Energy Solution, Ltd.
Interim condensed separate statements of changes in equity
For the six-month periods ended June 30, 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
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(216,574)	(216,574)
Remeasurements of net defined benefit liabilities	16	-	-	-	797	797
Loss on valuation of financial assets at FVOCI	5,8	-	-	(7,862)	-	(7,862)
Total comprehensive loss for the period		-	-	(7,862)	(215,777)	(223,639)
Transactions with owners of the Company recognized directly in equity:						
Disposal of financial assets at FVOCI		-	-	7,171	(7,171)	-
Total transactions with owners of the Company recognized directly in equity		-	-	7,171	(7,171)	-
As of June 30, 2025		₩ 117,000	₩ 17,589,722	₩ (52,289)	₩ (2,160,992)	₩ 15,493,441
As of January 1, 2026		₩ 117,000	₩ 17,589,722	₩ (54,705)	₩ (2,492,044)	₩ 15,159,973
Total comprehensive loss for the period:						
Loss for the period		-	-	-	(571,987)	(571,987)
Remeasurements of net defined benefit liabilities	16	-	-	-	(2,188)	(2,188)
Gain on valuation of financial assets at FVOCI	5,8	-	-	3,166	-	3,166
Gain on cash flow hedge	5,8	-	-	5,393	-	5,393
Total comprehensive profit (loss) for the period		-	-	8,559	(574,175)	(565,616)
As of June 30, 2026		₩ 117,000	₩ 17,589,722	₩ (46,146)	₩ (3,066,219)	₩ 14,594,357

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

LG Energy Solution, Ltd.
Interim condensed separate statements of cash flows
For the six-month periods ended June 30, 2026 and 2025

(Korean won in millions)

	Notes	June 30, 2026	June 30, 2025
Cash flows from operating activities:			
Cash generated from operations	30	₩ (1,477,260)	₩ (442,728)
Interest received		44,201	24,514
Interest paid		(248,530)	(178,687)
Dividends received		779,366	583,573
Income tax paid		(66,490)	(100,095)
Net cash used in operating activities		(968,713)	(113,423)
Cash flows from investing activities:			
Cash inflow from investing activities:			
Decrease in other non-current receivables		5,839	4,617
Proceeds from disposal of financial instruments		444,794	4,796
Proceeds from disposal of property, plant and equipment		8,371	510
Proceeds from disposal of intangible assets		1,543	2
Government grants received related to property, plant and equipment		1,718	2,000
		462,265	11,925
Cash outflow for investing activities:			
Increase in other non-current receivables		(3,243)	(14,691)
Acquisition of investments in subsidiaries		(445,693)	(1,513,981)
Acquisition of investments in associates		(262)	(3,536)
Acquisition of financial instruments		(6,403)	(19,405)
Acquisition of property, plant and equipment		(543,397)	(721,939)
Acquisition of intangible assets		(107,185)	(66,127)
Other cash outflow for investing activities		(260)	(825)
		(1,106,443)	(2,340,504)
Net cash used in investing activities		(644,178)	(2,328,579)
Cash flows from financing activities:			
Cash inflow from financing activity:			
Increase in borrowings	30	3,486,332	4,772,897
		3,486,332	4,772,897
Cash outflow for financing activity:			
Repayment of borrowings	30	(1,043,325)	(141,921)
		(1,043,325)	(141,921)
Net cash provided by financing activities		2,443,007	4,630,976
Net increase in cash and cash equivalents		830,116	2,188,974
Cash and cash equivalents at beginning of the period		968,920	849,894
Effects of exchange rate changes on cash and cash equivalents		24,397	(7,939)
Cash and cash equivalents at end of the period		₩ 1,823,433	₩ 3,030,929

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

1. GENERAL:

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

1.1 Company Information

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

As of June 30, 2026, the Company is engaged in the battery industry with its manufacturing facilities located in Ochang.

The Company's shares have been listed on the Korea Exchange since January 27, 2022, and the share capital is KRW 117,000 million as of June 30, 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 (KRW 500 per share) and has issued 234 million of ordinary shares as of June 30, 2026.

1.2 Business Overview

The Company is engaged in providing energy solution services.

The Company manufactures and supplies batteries ranging from information technology ("IT") and new application batteries for mobile phones and laptops to automotive batteries for electric vehicles and ESS batteries. Demand for mobile batteries for new applications, such as electric tools and other electrical devices, as well as traditional IT devices, is increasing recently, and the automotive battery business is also expected to expand rapidly due to increasing demand for batteries associated with enhanced environment regulations 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 interim condensed separate 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 prioritization 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 a transaction price with K-IFRS 1115.

- 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 constitutes 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.

- *Introduction of disclosures for management-defined performance measures ("MPMs")*
  K-IFRS 1118 introduces new disclosure requirements for 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 August 11, 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 separate financial statements.

3. FINANCIAL RISK MANAGEMENT:

3.1 Financial Risk Factors

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

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

(1) Market risk

1) Foreign exchange risk

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

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

Monetary assets and liabilities denominated in foreign currencies as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
USD	₩ 4,571,792	₩ 12,851,669	₩ 3,468,446	₩ 9,036,409
EUR	55,668	65,126	119,511	96,739
JPY	6,000	8,953	16,558	31,462
CNY and others	235,819	31,117	233,054	36,588

With all other variables held constant as of June 30, 2026, and December 31, 2025, a hypothetical change in exchange rates by 10% would have increased (decreased) the Company's net income as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ (827,988)	₩ 827,988	₩ (556,796)	₩ 556,796
EUR	(946)	946	2,277	(2,277)
JPY	(295)	295	(1,490)	1,490
CNY and others	20,470	(20,470)	19,647	(19,647)

The above sensitivity analysis has been performed for monetary assets and liabilities denominated in foreign currencies other than the functional currency as of June 30, 2026, and December 31, 2025.

As of June 30, 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):

	Contractor	Contract amount (in millions)	Contract exchange rate	Contract inception date	Contract maturity	Book amount	
						Assets	Liabilities
Currency forward (*)	KB Kookmin Bank	USD 500	1,102.83	11.24.2020	04.16.2029	₩ 187,939	₩ -
Currency swap (*)	JP Morgan	USD 200	1,337.60	09.25.2023	09.25.2026	44,396	-
	Shinhan Bank	USD 200	1,337.60	09.25.2023	09.25.2026	42,771	-
	KDB Bank	USD 400	1,337.60	09.25.2023	09.25.2028	88,712	-
	Woori Bank	USD 200	1,337.60	09.25.2023	09.25.2028	44,367	-
	DBS	USD 200	1,380.80	07.02.2024	07.02.2027	38,993	-
	JP Morgan	USD 200	1,380.80	07.02.2024	07.02.2027	38,947	-
	Shinhan Bank	USD 300	1,380.80	07.02.2024	07.02.2027	55,937	-
	KB Kookmin Bank	USD 200	1,380.80	07.02.2024	07.02.2029	41,678	-
	Woori Bank	USD 200	1,380.80	07.02.2024	07.02.2029	41,663	-
	Korea Exim Bank	USD 200	1,380.80	07.02.2024	07.02.2029	41,665	-
	IBK Securities	USD 100	1,380.80	07.02.2024	07.02.2029	20,779	-
	KDB Bank	USD 100	1,380.80	07.02.2024	07.02.2029	20,790	-
	KDB Bank	USD 400	1,380.80	07.02.2024	07.02.2034	105,463	-
	Woori Bank	USD 100	1,380.80	07.02.2024	07.02.2034	26,352	-
	Hana Bank	USD 200	1,471.70	04.02.2025	04.02.2028	19,661	-
	JP Morgan	USD 100	1,471.70	04.02.2025	04.02.2028	10,539	-
	SMBC	USD 100	1,471.70	04.02.2025	04.02.2028	9,713	-
	Shinhan Bank	USD 200	1,471.70	04.02.2025	04.02.2030	27,629	-
	Woori Bank	USD 100	1,471.70	04.02.2025	04.02.2030	13,864	-
	KDB Bank	USD 500	1,471.70	04.02.2025	04.02.2030	66,687	-
	Shinhan Bank	USD 100	1,471.70	04.02.2025	04.02.2030	13,275	-
	Woori Bank	USD 200	1,471.70	04.02.2025	04.02.2035	41,597	-
	Hanwha Securities	USD 200	1,471.70	04.02.2025	04.02.2035	41,651	-
	Hana Bank	USD 100	1,471.70	04.02.2025	04.02.2035	20,726	-
	KB Kookmin Bank	USD 100	1,471.70	04.02.2025	04.02.2035	20,687	-
	Credit Agricole	USD 50	1,471.70	04.02.2025	04.02.2035	10,719	-
	KDB Bank	USD 50	1,471.70	04.02.2025	04.02.2035	10,404	-
	Shinhan Bank	USD 100	1,507.80	04.02.2026	04.02.2029	3,417	-
	KB Kookmin Bank	USD 50	1,507.80	04.02.2026	04.02.2029	1,709	-
	Woori Bank	USD 100	1,507.80	04.02.2026	04.02.2029	3,342	-
	Hana Bank	USD 50	1,507.80	04.02.2026	04.02.2029	1,669	-
	Shinhan Bank	USD 200	1,507.80	04.02.2026	04.02.2031	9,047	-
	KB Kookmin Bank	USD 100	1,507.80	04.02.2026	04.02.2031	4,525	-
	Woori Bank	USD 200	1,507.80	04.02.2026	04.02.2031	6,677	-
	KB Kookmin Bank	USD 150	1,507.80	04.02.2026	04.02.2031	5,019	-
	Hana Bank	USD 150	1,507.80	04.02.2026	04.02.2031	5,020	-
	Korea Exim Bank	USD 200	1,507.80	04.02.2026	04.02.2036	9,243	-
	Woori Bank	USD 100	1,507.80	04.02.2026	04.02.2036	4,563	-
	Hana Bank	USD 100	1,507.80	04.02.2026	04.02.2036	4,545	-
	KDB Bank	USD 100	1,507.80	04.02.2026	04.02.2036	4,565	-

(*) 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 fluctuations in domestic and foreign interest rates daily, weekly and monthly; establishing alternatives; and balancing floating-rate short-term borrowings with floating-rate deposits.

The table below summarizes the impact of increases/decreases in interest rates on the Company's equity and profit or loss 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 or loss		Impact on equity	
	June 30, 2026	December 31, 2025	June 30, 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 June 30, 2026, the fair value of equity instruments is KRW 80,721 million. With all other variables held constant, a price change in equity instruments by 10% would have changed the Company's equity by KRW 8,072 million before tax.

(2) Credit risk

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

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

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

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

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

1) Trade receivables

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

For the six-month period ended June 30, 2026, and for the year ended December 31, 2025, there were no changes in the provisions for trade receivables.

As of June 30, 2026, the carrying amount of trade receivables, representing the maximum exposure to credit risk, amounts to KRW 1,954,213 million (as of December 31, 2025, was KRW 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 June 30, 2026, and December 31, 2025, the provisions for other financial assets measured at amortized cost do not exist.

3) Debt instruments measured at FVOCI

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

(3) Liquidity risk

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

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

	June 30, 2026			
	Less than 1 year	Between 1 year- 2 years	Between 2- 5 years	More than 5 years
Non-derivative instruments:				
Borrowings	₩ 2,935,587	₩ 3,715,860	₩ 8,618,040	₩ 3,347,010
Lease liabilities	43,514	35,313	72,985	193
Trade and other payables (*)	2,544,262	8,376	7,186	-
	5,523,363	3,759,549	8,698,211	3,347,203
Derivative instruments:				
Currency forwards and swaps settled in gross:				
Inflows	(616,600)	(1,695,650)	(6,011,850)	(2,620,550)
Outflows	535,040	1,555,240	5,441,725	2,474,490
	(81,560)	(140,410)	(570,125)	(146,060)
	₩ 5,441,803	₩ 3,619,139	₩ 8,128,086	₩ 3,201,143

	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	-
	4,286,391	2,833,867	7,742,497	2,401,537
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
	(38,920)	(37,870)	(219,855)	(1,290)
	₩ 4,247,471	₩ 2,795,997	₩ 7,522,642	₩ 2,400,247

(*) As of June 30, 2026, the carrying amount of liabilities classified as supplier financing arrangements was KRW 209,731 million (as of December 31, 2025, was KRW 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.

2) As of June 30, 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 as follows (Korean won in millions):

	Purpose of the contracts	Hedged items	Financial institution	Maturity	June 30, 2026				December 31, 2025			
					Assets		Liabilities		Assets		Liabilities	
Merchandise (raw materials) swap (*)	Cash flow hedge	Non-ferrous metal	SC, etc.	~2028.12	₩	9,584	₩	474	₩	3,166	₩	-

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

2) The maturity profile of the Company's financial guarantee contracts as of June 30, 2026, and December 31, 2025, is as follows:

	June 30, 2026							
	Less than 1 year		Between 1 year-2 years		Between 2- 5 years		More than 5 years	
Financial guarantee contracts (*)	₩	6,747,593	₩	-	₩	-	₩	-

	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 June 30, 2026, and December 31, 2025. As of June 30, 2026, the total limit amount of committed payment guarantee is KRW 13,661,374 million (as of December 31, 2025, was KRW 12,026,096 million) (see Note 18).

3.2 Capital Risk Management

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

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

The gearing ratio and debt-to-equity ratio as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
Total borrowings (Note 14) (A)	₩	15,629,804	₩	12,521,303
Less: cash and cash equivalents (B)		(1,823,433)		(968,920)
Net debt (C=A+B)		13,806,371		11,552,383
Total liabilities (D)		19,714,907		16,007,801
Total equity (E)		14,594,357		15,159,973
Total capital (F=C+E)	₩	28,400,728	₩	26,712,356
Gearing ratio (C/F)		48.6%		43.2%
Debt-to-equity ratio (D/E)		135.1%		105.6%

3.3 Fair Value Estimation

(1) The carrying amounts and fair values of financial instruments by category as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets (current):				
Cash and cash equivalents	₩ 1,823,433	(*)	₩ 968,920	(*)
Trade receivables	1,804,195	(*)	1,707,802	(*)
Other receivables (excluding due from financial institutions)	2,118,251	(*)	1,350,143	(*)
Current derivative financial assets	8,572	8,572	3,166	3,166
Current derivative financial assets (currency swap)	87,167	87,167	42,577	42,577
Financial assets (non-current):				
Non-current trade receivables	150,018	(*)	146,664	(*)
Non-current other receivables (excluding due from financial institutions)	279,093	(*)	147,854	(*)
Due from financial institutions	60,014	(*)	60,014	(*)
Other non-current financial assets:				
Marketable financial assets	439	439	857	857
Non-marketable financial assets	287,139	287,139	781,224	781,224
Non-current derivative financial assets	1,012	1,012	40,713	40,713
Non-current derivative financial assets (currency forward)	187,939	187,939	137,663	137,663
Non-current derivative financial assets (currency swap)	935,839	935,839	295,283	295,283
Financial liabilities (current):				
Trade and other payables	2,543,313	(*)	2,350,067	(*)
Current borrowings (excluding lease liabilities)	2,215,085	(*)	1,322,230	(*)
Current derivative financial liabilities	215	215	-	-
Other current financial liabilities	187,356	(*)	123,036	(*)
Financial liabilities (non-current):				
Non-current borrowings (excluding lease liabilities)	13,272,536	14,534,246	11,052,634	11,772,338
Other non-current payables	15,521	(*)	4,329	(*)
Non-current derivative financial liabilities	259	259	-	-
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 a reasonable approximation of their fair values.

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

Fair values of financial liabilities (non-current) are calculated by discounting the expected cash outflows by yield from corporate bonds. These bonds are Korean won denominated with credit ratings same as the Company (AA0). The applied discount rates as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
Discount rate	3.44% – 5.18%	3.05% – 4.52%

(3) Fair value hierarchy

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

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

As of June 30, 2026, and December 31, 2025, the fair value hierarchy of financial instruments measured at fair value or for which fair value is disclosed is as follows (Korean won in millions):

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets/liabilities measured at fair value:				
Current derivative financial assets	₩ -	₩ 8,572	₩ -	₩ 8,572
Current derivative financial assets (currency swap)	-	87,167	-	87,167
Non-current derivative financial assets	-	-	1,012	1,012
Non-current derivative financial assets (currency forward)	-	187,939	-	187,939
Non-current derivative financial assets (currency swap)	-	935,839	-	935,839
Other non-current financial assets (marketable financial assets)	439	-	-	439
Other non-current financial assets (non-marketable financial assets)	-	-	287,139	287,139
Current derivative financial liabilities	-	215	-	215
Non-current derivative financial liabilities	-	259	-	259
Financial assets/liabilities not measured at fair value:				
Non-current borrowings (excluding lease liabilities)	-	14,534,246	-	14,534,246

	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 in the preparation 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, except for estimates used in determining income tax expenses.

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

(1) Income taxes

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

(2) Provisions

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

(3) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at June 30, 2026 (see Note 3.3).

(4) Impairment of financial assets

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

(5) Net defined benefit liability (asset)

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

(6) Lease

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

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

5. FINANCIAL INSTRUMENTS BY CATEGORY:

(1) Categorizations of financial instruments as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026				
Financial assets	**Financial assets at amortized cost**	**Financial assets at FVPL**	**Financial assets at FVOCI (*1)**	**Other financial assets**	**Total**
Cash and cash equivalents	₩ 1,823,433	₩ -	₩ -	₩ -	₩ 1,823,433
Trade receivables	1,804,195	-	-	-	1,804,195
Non-current trade receivables	150,018	-	-	-	150,018
Other current receivables	2,118,251	-	-	-	2,118,251
Other non-current receivables	339,107	-	-	-	339,107
Other current financial assets	-	87,167	-	8,572	95,739
Other non-current financial assets	-	1,330,635	80,721	1,012	1,412,368
	₩ 6,235,004	₩ 1,417,802	₩ 80,721	₩ 9,584	₩ 7,743,111

	June 30, 2026		
Financial liabilities	**Financial liabilities at amortized cost**	**Other financial liabilities (*2)**	**Total**
Trade payables	₩ 1,117,702	₩ -	₩ 1,117,702
Other payables	1,425,611	-	1,425,611
Other non-current payables	15,521	-	15,521
Current borrowings	2,215,085	39,883	2,254,968
Non-current borrowings	13,272,536	102,300	13,374,836
Other current financial liabilities	187,356	215	187,571
Other non-current financial liabilities	-	259	259
	₩ 18,233,811	₩ 142,657	₩ 18,376,468

	December 31, 2025				
Financial assets	**Financial assets at amortized cost**	**Financial assets at FVPL**	**Financial assets at FVOCI (*1)**	**Other financial assets**	**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
	₩ 4,381,397	1,224,441	₩ 73,876	₩ 3,166	₩ 5,682,880

	December 31, 2025			
Financial liabilities	**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
	₩ 14,852,296	3,605	₩ 146,439	₩ 15,002,340

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

(2) Net gain (loss) on each category of financial instruments for the three-month and six-month periods ended June 30, 2026 and 2025, is as follows (Korean won in millions):

	June 30, 2026		June 30, 2025	
	Three months	Six months	Three months	Six months
Interest income:				
Financial assets at amortized cost	₩ 38,614	₩ 47,191	₩ 26,462	₩ 38,411
Financial assets at FVPL	393	2,015	3,843	16,822
Interest expense:				
Financial liabilities at amortized cost	(161,413)	(295,844)	(125,201)	(219,445)
Other financial liabilities	(1,291)	(2,477)	(423)	(936)
Gain or loss on valuation/disposal:				
Financial assets at FVPL	(126)	(87,004)	-	-
Financial assets at FVOCI	977	4,161	(7,533)	(10,154)
Derivative instruments (*)	226,138	746,115	(698,115)	(648,827)
Exchange differences:				
Financial assets at amortized cost	90,125	267,904	(221,070)	(233,801)
Financial liabilities at amortized cost	(236,141)	(718,235)	686,021	701,855
Financial assets at FVPL	2,733	11,574	(38,834)	(39,730)

(*) Includes fair value gains and losses recognized in profit or loss and other comprehensive income.

(3) Supplier financing arrangements

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

As of June 30, 2026, and December 31, 2025, the Company has entered into the following supplier financing arrangements (Korean won in millions):

	June 30, 2026	December 31, 2025
Liabilities classified as accounts payable and other liabilities:		
The carrying amounts of accounts payable and other liabilities corresponding to supplier financing agreements (*)	₩ 209,731	₩ 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	4,773	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 settlements 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:

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

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

6. CASH AND CASH EQUIVALENTS:

(1) Details of cash and cash equivalents as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		June 30, 2026		December 31, 2025
Bank deposits and cash on hand	₩	5,104	₩	1,952
Cash equivalents		1,818,329		966,968
	₩	1,823,433	₩	968,920

(2) As of June 30, 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 June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026			December 31, 2025		
	Gross amount	Provision for impairment	Carrying amount	Gross amount	Provision for impairment	Carrying amount
Trade receivables	₩ 1,804,195	₩ -	₩ 1,804,195	₩ 1,707,802	₩ -	₩ 1,707,802
Non-current trade receivables	150,018	-	150,018	146,664	-	146,664
Other current receivables	2,118,251	-	2,118,251	1,350,143	-	1,350,143
Other non-current receivables	339,107	-	339,107	207,868	-	207,868
	₩ 4,411,571	₩ -	₩ 4,411,571	₩ 3,412,477	₩ -	₩ 3,412,477

(2) Details of other receivables as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		June 30, 2026		December 31, 2025
Current:				
Non-trade receivables	₩	2,101,340	₩	1,300,195
Accrued income		5,881		10,181
Guarantee deposits provided		11,030		39,767
		2,118,251		1,350,143
Non-current:				
Non-trade receivables		230,887		125,792
Due from financial institutions (*)		60,014		60,014
Loans		1,800		1,800
Guarantee deposits provided		46,406		20,262
		339,107		207,868
	₩	2,457,358	₩	1,558,011

(*) As of June 30, 2026, the deposits from financial institutions (non-current) are subject to withdrawal restrictions, which include KRW 60,000 million for the agreement on the Win-Win Growth Cooperation and KRW 14 million related to a guarantee deposit for current account opening.

(3) The aging analysis of trade and other receivables as of June 30, 2026, and December 31, 2025, is as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Receivables not past due	₩ 1,774,157	₩ 2,455,089	₩ 1,819,236	₩ 1,545,302
Past due, but not impaired:				
Up to 3 months	177,050	2,269	35,230	12,368
Between 3-6 months	3,006	-	-	326
More than 6 months	-	-	-	15
	180,056	2,269	35,230	12,709
Impaired receivables	-	-	-	-
	₩ 1,954,213	₩ 2,457,358	₩ 1,854,466	₩ 1,558,011

(4) For the six-month period ended June 30, 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 June 30, 2026, and December 31, 2025, are not significantly different from their carrying amounts.

8. OTHER FINANCIAL ASSETS AND LIABILITIES:

(1) Details of other financial assets and liabilities as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		June 30, 2026		December 31, 2025
Other financial assets:				
Financial assets at FVOCI	₩	80,721	₩	73,876
Cash flow hedge		9,584		3,166
Financial assets at FVPL		1,417,802		1,224,441
	₩	1,508,107	₩	1,301,483
Other financial liabilities:				
Financial guarantee contracts	₩	187,356	₩	123,036
Cash flow hedge		474		-
Financial liabilities at FVPL		-		3,605
	₩	187,830	₩	126,641

(2) Details of changes in equity securities included in other financial assets for the six-month period ended June 30, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

		2026		2025
Beginning (*1)	₩	73,876	₩	91,312
Acquisitions/Transfer (*2)		519,709		2,000
Disposal (*2) (*3)		(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(loss) item		4,161		(16,674)
Ending (*1)	₩	80,721	₩	73,876

(*1) The Company has entered into a put option contract to secure investment capital for its equity securities held in Capchem Poland SP. Z o. o. The major terms of the agreement are as follows:

	Capchem Poland SP. Z o. o.
Exercise date	From one year after the contract date (initial investment date, April 9, 2021) to the following five years (with three months' prior notice).
Exercise price	The higher amount between the fair market value and the investment principal.

(*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.

(*3) During the current period, the Company exercised the put option relating to its investment in Volta Energy Solutions S.a.r.l. and is expected to dispose of the entire holding upon receipt of the remaining consideration and transfer of ownership in accordance with the agreement.

9. INVENTORIES:

(1) Details of inventories as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026			December 31, 2025		
	Gross amount	Valuation allowance	Carrying amount	Gross amount	Valuation allowance	Carrying amount
Merchandise	₩ 182,010	₩ (9,014)	₩ 172,996	₩ 172,528	₩ (4,463)	₩ 168,065
Finished/semifinished products	939,637	(156,803)	782,834	767,080	(127,244)	639,836
Raw materials	406,593	(9,447)	397,146	216,915	(3,724)	213,191
Supplies	8,511	(4,852)	3,659	8,630	(7,923)	707
Materials in transit	168,230	-	168,230	37,649	-	37,649
	₩ 1,704,981	₩ (180,116)	₩ 1,524,865	₩ 1,202,802	₩ (143,354)	₩ 1,059,448

(2) The amounts of inventories expensed as cost of sales for the six-month periods ended June 30, 2026 and 2025, were KRW 3,571,517 million and KRW 3,083,784 million, respectively.

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:

(1) Changes in investments in subsidiaries and associates for the six-month periods ended June 30, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026	December 31, 2025
Beginning	₩ 16,193,800	₩ 13,449,510
Acquisitions	445,955	3,047,386
Disposals/impairments	-	(303,096)
Ending	₩ 16,639,755	₩ 16,193,800

(2) Details of investments in subsidiaries and associates as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		Percentage of ownership (%)		Carrying amount	
	Location	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
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	22,780	22,045
LG Energy Solution Vertech Inc.	USA	100	100	16,168	16,168
LG Energy Solution Arizona, Inc.	USA	100	100	636,013	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 Limited.	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	1,492,065	1,342,085
LG Energy Solution Fund II LLC	USA	100	100	52,721	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
				16,553,015	16,107,321
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
				86,740	86,479
				₩ 16,639,755	₩ 16,193,800

(*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 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 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 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.

11. PROPERTY, PLANT AND EQUIPMENT:

(1) Changes in property, plant and equipment for the six-month period ended June 30, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

		2026		2025
Beginning	₩	4,718,491	₩	4,059,252
Acquisition		369,986		1,411,085
Replacement		(35,103)		(289,974)
Disposal		(15,001)		(30,844)
Depreciation		(253,982)		(419,176)
Impairment		(4,513)		(11,852)
Ending	₩	4,779,878	₩	4,718,491

(2) The current ending balances of property, plant and equipment include KRW 1,034,530 million of construction in progress as of June 30, 2026, and some of it will subsequently be transferred to intangible assets (as of December 31, 2025, was KRW 1,023,113 million).

(3) The Company capitalized KRW 18,054 million of borrowing costs in relation to the acquisition of property, plant and equipment (for the six-month period ended June 30, 2025, was KRW 19,628 million). The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 4.13% (for the six-month period ended June 30, 2025, was 4.12%).

(4) Line items, including depreciation, in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
	Three months		Six months		Three months		Six months	
Cost of sales	₩	71,031	₩	142,114	₩	53,036	₩	106,057
Selling and administrative expenses		55,723		111,868		46,421		92,156
	₩	126,754	₩	253,982	₩	99,457	₩	198,213

(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 June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		June 30, 2026		December 31, 2025
Right-of-use assets (*):				
Buildings	₩	135,325	₩	135,121
Land		297		338
Vehicles		5,573		5,766
	₩	141,195	₩	141,225

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

Additions to the right-of-use assets for the six-month period ended June 30, 2026, are KRW 21,417 million (for the six-month period ended June 30, 2025, were KRW 2,175 million).

	June 30, 2026		December 31, 2025	
Lease liabilities (*):				
Current	₩	39,883	₩	34,433
Non-current		102,300		112,006
	₩	142,183	₩	146,439

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

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

Details of amounts recognized in the interim condensed separate statements of profit or loss in relation to leases for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
	Three months		Six months		Three months		Six months	
Depreciation of right-of-use assets:								
Buildings	₩	9,189	₩	18,974	₩	6,671	₩	13,382
Land		20		41		17		35
Vehicles and others		1,106		2,264		1,232		2,690
	₩	10,315	₩	21,279	₩	7,920	₩	16,107
Interest expense relating to lease liabilities (included in finance cost)	₩	1,291	₩	2,477	₩	423	₩	936
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)		426		1,198		381		644
Expenses relating to leases of low-value assets that are not short-term leases (included in cost of goods sold and administrative expenses)		1,253		2,641		1,661		3,444

Total cash outflow for leases for the six-month period ended June 30, 2026, is KRW 29,291 million (for the six-month period ended June 30, 2025, was KRW 21,420 million).

12. INTANGIBLE ASSETS:

(1) Changes in intangible assets for the six-month period ended June 30, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	2026		2025	
Beginning	₩	1,214,656	₩	918,174
Acquisition		107,185		156,469
Replacement		61,167		342,191
Disposal		(2,103)		(1,941)
Amortization		(112,066)		(200,076)
Impairment		-		(161)
Ending	₩	1,268,839	₩	1,214,656

(2) Line items, including amortization of intangibles in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
	Three months		Six months		Three months		Six months	
Cost of sales	₩	1,487	₩	3,169	₩	1,981	₩	3,950
Selling and administrative expenses		55,296		108,897		47,037		93,377
	₩	56,783	₩	112,066	₩	49,018	₩	97,327

(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)	430 (*4)

(*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.
(*4) An additional 133,000 tons have been allocated as the emissions were confirmed for 2025.

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

3) Changes in greenhouse gas emission rights (included in intangible assets) for the six-month period ended June 30, 2026, and for 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	440	₩	-	331	₩	-
Purchase/Sale	-		-	-		-
Borrowing/Carried over	-		-	-		-
Government submission	-		-	-		-
Ending	440	₩	-	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	₩	-

13. OTHER CURRENT AND NON-CURRENT ASSETS:

Details of other current and non-current assets as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
Current:				
Prepayments	₩	1,644	₩	1,790
Prepaid expenses		118,990		52,707
Prepaid value-added taxes		35,865		48,184
Others		31,306		24,838
	₩	187,805	₩	127,519
Non-current:				
Long-term prepayments	₩	1,223	₩	1,245
Long-term prepaid expenses		7,973		8,293
Net defined benefit assets		67,882		104,514
	₩	77,078	₩	114,052

14. BORROWINGS:

(1) Borrowings as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
Current:				
Short-term borrowings	₩	300,000	₩	-
Current portion of debentures		1,915,085		1,322,230
Current lease liabilities		39,883		34,433
	₩	2,254,968	₩	1,356,663
Non-current:				
Long-term borrowings	₩	4,322	₩	274,350
Debentures		13,268,214		10,778,284
Non-current lease liabilities		102,300		112,006
	₩	13,374,836	₩	11,164,640
	₩	15,629,804	₩	12,521,303

(2) Details of borrowings as of June 30, 2026, and December 31, 2025, are as follows:

		Currency	Bank	Longest maturity date	Interest rate (%)	Carrying amount June 30, 2026	Carrying amount December 31, 2025
Short-term borrowings	Bank loans	KRW	Korea Exim Bank	07.23.2026	3M market yield on Supply Chain Resilience Fund + 0.05	₩ 300,000	₩ -
						₩ 300,000	₩ -
Long-term borrowings	Bank loans	KRW	Shinhan Capital and others	11.30.2028	4.20	₩ 4,322	₩ 274,350
						₩ 4,322	₩ 274,350
Debentures	Public (*)	KRW	Korea Investment & Securities Co., Ltd. and others	03.05.2036	3.138 – 4.613	₩ 4,325,000	₩ 4,275,000
	Private	Foreign currencies	Citibank and others	04.02.2036	3.625 – 5.875	10,944,651	7,891,950
	Less: Discount on debentures					(86,352)	(66,436)
						₩ 15,183,299	₩ 12,100,514
						₩ 15,487,621	₩ 12,374,864

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

3) Lease liabilities (Korean won in millions)

	June 30, 2026		
	Interest rate (%)	Longest maturity date	Amount
Y22 Project Financing Investment Ltd. and others	2.21–4.20	05.31.2040	₩ 142,183

	June 30, 2026		
	Interest rate (%)	Longest maturity date	Amount
Baeksan Industry and others	2.21–4.85	05.31.2040	₩ 146,439

15. PROVISIONS:

Changes in provisions for the six-month period ended June 30, 2026, and for the year ended December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026							
	Warranty (*1)		Greenhouse gas emission (*2)		Other provisions (*3)		Total	
Beginning	₩	615,219	₩	433	₩	120,845	₩	736,497
Provision transfer		517,688		896		7,367		525,951
Used		(255,595)		-		(4,433)		(260,028)
Ending		877,312		1,329		123,779		1,002,420
Less: current portion		(749,894)		(1,329)		(117,121)		(868,344)
	₩	127,418	₩	-	₩	6,658	₩	134,076

	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)
	₩	107,305	₩	-	₩	7,832	₩	115,137

(*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 the six-month period ended June 30, 2026, the estimated warranty provision determined based on historical claims rate, etc., amounted to KRW 321,690 million (as of December 31, 2025, was KRW 265,839 million).

(*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 199 thousand tons for the six-month period ended June 30, 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.

16. NET DEFINED BENEFIT LIABILITIES (ASSETS):

(1) Details of net defined benefit liabilities (assets) recognized in the interim condensed separate statements of financial position as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026		December 31, 2025	
Present value of defined benefit liabilities (*1)	₩	665,131	₩	681,248
Fair value of plan assets		(733,013)		(785,762)
Net defined benefit assets (*2)	₩	(67,882)	₩	(104,514)

(*1) The present value of defined benefit obligations is the amount after deducting the contributions to the National Pension Plan of KRW 25 million as of June 30, 2026 (as of December 31, 2025, was KRW 25 million).

(*2) The KRW 67,882 million of net defined benefit assets is included in the 'Other non-current assets' as of June 30, 2026 (as of December 31, 2025, was KRW 104,514 million).

(2) The amounts recognized in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
	Three months		Six months		Three months		Six months	
Current service cost	₩	21,329	₩	42,658	₩	22,663	₩	45,326
Interest cost		(1,306)		(2,613)		(1,463)		(2,926)
	₩	20,023	₩	40,045	₩	21,200	₩	42,400

(3) Retirement benefits recognized under the defined contribution plan for the six-month period ended June 30, 2026, amounted to KRW 2,694 million (for the six-month period ended June 30, 2025, amounted to KRW 1,462 million).

(4) Retirement benefits recognized in the interim condensed separate statements of profit or loss for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
	Three months		Six months		Three months		Six months	
Cost of sales	₩	7,200	₩	14,378	₩	7,687	₩	15,729
Selling and administrative expenses		14,132		28,361		14,186		28,133
	₩	21,332	₩	42,739	₩	21,873	₩	43,862

(5) Changes in the present value of defined benefit obligations for the six-month period ended June 30, 2026, and for the year ended December 31, 2025, are as follows (Korean won in millions):

	2026		2025	
Beginning	₩	681,248	₩	665,108
Transfer in		662		664
Transfer out		(373)		(1,282)
Current service cost		42,658		89,396
Past service cost		-		8,209
Interest expense		16,737		25,498
Remeasurements:				
Actuarial loss from change in financial assumption		-		(78,204)
Actuarial gain from change in demographic assumption		-		32
Actuarial gain due to difference between the estimated and the actual		-		41,436
Others		-		104
Payments from plans		(75,801)		(69,713)
Ending	₩	665,131	₩	681,248

(6) Changes in the fair value of plan assets for the six-month period ended June 30, 2026, and for the year ended December 31, 2025, are as follows (Korean won in millions):

		2026		2025
Beginning	₩	785,762	₩	807,842
Transfer out		(212)		(107)
Interest income		19,350		32,650
Remeasurements:				
Loss on plan assets (excluding amounts included in interest income)		(2,876)		(2,613)
Contribution:				
Employer contribution to plan assets		-		10,000
Payments from plans		(68,274)		(60,592)
Administrative costs		(737)		(1,418)
Ending	₩	733,013	₩	785,762

(7) The actual return on plan assets for the six-month period ended June 30, 2026, was KRW 16,474 million (for the six-month period ended June 30, 2025, was KRW 17,355 million).

(8) The significant actuarial assumptions as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
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 June 30, 2026, is as follows (Korean won in millions):

		Increase by 1.0%		Decrease by 1.0%
Discount rate:				
(Decrease) increase in defined benefit liabilities	₩	(71,315)	₩	84,303
Salary growth rate:				
Increase (decrease) in defined benefit liabilities		88,015		(75,327)

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

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

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

(10) Plan assets as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026			December 31, 2025		
		Amount	Composition (%)		Amount	Composition (%)
Insurance contracts with guaranteed yield	₩	733,013	100	₩	785,762	100

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

17. OTHER CURRENT AND NON-CURRENT LIABILITIES:

Details of other current and non-current liabilities as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026	December 31, 2025
Current:		
Advances from customers	₩ 90,857	₩ 81,684
Withholdings	7,308	35,470
Unearned revenues	5,724	29,096
Accrued expenses and others	194,236	87,306
	₩ 298,125	₩ 233,556
Non-current:		
Long-term employee benefits	₩ 34,688	₩ 33,889
Long-term unearned revenues	1,465	1,519
Long-term advance received	1,741	-
	₩ 37,894	₩ 35,408

18. COMMITMENTS AND CONTINGENCIES:

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

(2) As of June 30, 2026, the Company has been guaranteed by Seoul Guarantee Insurance Company for the execution of contracts and others.

(3) As of June 30, 2026, the Company has various specific lines of credit agreements with several financial institutions as follows (Korean won in millions and USD in millions):

	June 30, 2026 (*1)	
	Currency	Amount
Limit of letter of credit	USD	6
Limit of discount of notes from export	USD	471
Limit of guaranteed payments in other foreign currency (*2)	USD	339
B2B purchase arrangements	KRW	125,000
	USD	25
General loan agreements	KRW	1,480,000
Factoring arrangements	KRW	50,000

(*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 30,361 million, EUR 1 million, CAD 1,279 million, GBP 367 thousand 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 the actions are still in process as of June 30, 2026. The Company also has filed four lawsuit cases (amounted to USD 234 million) and been sued in 40 other cases (amounted to USD 3 million and KRW 2,644 million). The ultimate outcome of these pending cases cannot be determined at the reporting date.

(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 it provides in relation to its business.

(7) The Company has entered into a joint venture agreement with Honda, has committed to invest USD 1,802 million, and has contributed USD 1,801 million as of June 30, 2026. 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 to NextStar Energy Inc. and has contributed USD 1,120 million as of June 30, 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 June 30, 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 a 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 454 million as of June 30, 2026. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,106 million and a 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 June 30, 2026. Furthermore, the Company has decided to provide a payment guarantee up to a maximum limit of USD 1,173 million.

(12) As of June 30, 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 June 30, 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 June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026	December 31, 2025
Property, plant and equipment	₩ 153,370	₩ 332,448

(15) Investment commitments as of June 30, 2026, are as follows (Korean won and USD in millions, EUR in thousands):

	Currency	Contractual amount	Total investments	Remaining amount
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	62,083	12,917
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

(16) As of June 30, 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) June 30, 2026	Loan amount (*1) December 31, 2025	Credit limit (*2) June 30, 2026	Credit limit (*2) December 31, 2025
LG Energy Solution Ltd.	LG Energy Solution Wroclaw sp. z o.o.	SMBC	₩ 13,208	₩ 21,072	₩ 88,055	₩ 84,286
		DBS	-	168,572	-	168,572
		EIB	187,850	269,715	845,323	809,146
		KDB Bank/ Korea Exim Bank	58,336	167,518	466,689	446,716
		KDB Bank/ Korea Exim Bank/ NH Bank	484,300	695,360	968,600	927,146
		KDB Bank/ Korea Exim Bank	22,014	63,215	176,109	168,572
		KDB Bank/ Korea Exim Bank	11,007	31,607	88,055	84,286
		KDB Bank/ Korea Exim Bank	11,007	31,607	88,055	84,286
	LG Energy Solution Michigan Inc.	KDB Bank/ Korea Exim Bank and others	914,110	258,282	1,695,650	1,578,390
		HSBC and others	1,353,437	1,020,214	2,063,298	1,920,614
	NextStar Energy Inc.	EDC, Citi and others	2,072,238	983,757	2,072,238	983,757
	L-H Battery Company, Inc.	MUFG	-	389,683	-	731,799
	PT. HLI Green Power	ANZ and others	450,173	451,276	484,802	451,276
	HLBMA LLC (*3)	JPM and others	377,668	-	770,750	-
			₩ 5,955,348	₩ 4,551,878	₩ 9,807,624	₩ 8,438,846

(*1) The amounts represent borrowed amount as of June 30, 2026, and December 31, 2025.
(*2) The limits indicate the aggregate amount of payment guarantees.
(*3) During the six-month period ended June 30, 2026, HL-GA Battery Company LLC changed its name to HLBMA LLC.

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

19. SHARE CAPITAL:

Changes in share capital and share premium for the six-month period ended June 30, 2026, are as follows (Korean won in millions and in shares):

	Ordinary shares				
	Number of shares		Share capital		Share premium
December 31, 2025	234,000,000	₩	117,000	₩	17,589,722
Changes	-		-		-
June 30, 2026	234,000,000	₩	117,000	₩	17,589,722

20. ACCUMULATED DEFICIT:

Details of accumulated deficit as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

		June 30, 2026		December 31, 2025
Undisposed accumulated deficit	₩	(3,066,219)	₩	(2,492,044)

21. OPERATING LOSSES:

(1) The major items encompassed in the calculation of operating losses for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026				2025			
		Three months		Six months		Three months		Six months
Revenue	₩	2,713,557	₩	4,692,768	₩	1,744,834	₩	3,921,902
Cost of sales		2,166,825		3,858,312		1,409,517		3,145,431
Gross profit		546,732		834,456		335,317		776,471
Selling and administrative expenses:								
Wages and salaries		239,410		464,955		209,692		419,115
Retirement benefits		14,132		28,361		14,186		28,133
Employee benefits		51,079		101,190		50,295		100,138
Travel expenses		17,180		31,874		20,326		35,168
Water and utilities		25,191		50,770		23,580		47,730
Rental expenses		14,574		27,312		10,457		21,615
Commission expenses		391,437		484,302		(32,855)		129,922
Depreciation		57,187		114,778		47,818		95,139
Advertising expenses		4,920		8,794		4,979		9,127
Freight expenses		4,733		8,620		3,367		19,671
Training expenses		3,406		7,028		3,237		7,025
Amortization		55,296		108,897		47,037		93,377
Sample expenses		969		3,342		(131)		827
Development costs		92,160		150,487		66,706		121,433
Addition to warranty provisions		241,204		517,688		45,508		105,961
Others		41,908		85,024		34,459		69,468
		1,254,786		2,193,422		548,661		1,303,849
Operating losses	₩	(708,054)	₩	(1,358,966)	₩	(213,344)	₩	(527,378)

(2) Sales for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Sales recognized at a point in time	₩ 2,279,793	₩ 3,861,603	₩ 1,390,907	₩ 3,172,595
Sales recognized over time	433,764	831,165	353,927	749,307
	₩ 2,713,557	₩ 4,692,768	₩ 1,744,834	₩ 3,921,902

22. CLASSIFICATION OF EXPENSES BY NATURE:

Expenses by nature for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Changes in inventories of merchandise, finished goods, semifinished goods and work in process	₩ (42,831)	₩ (147,929)	₩ 44,262	₩ 48,468
Raw materials and consumables used and others	1,008,075	1,870,969	790,755	1,809,752
Purchase of merchandise	295,163	511,606	160,811	351,557
Employee benefit expenses	410,729	796,615	377,727	751,109
Advertising expenses	4,920	8,794	4,992	9,142
Freight expenses	5,605	10,840	3,927	22,038
Commission (reversal) expenses	412,291	525,348	(14,964)	166,731
Depreciation and amortization	185,001	368,958	149,873	298,523
Rent expenses and usage fee	1,503	3,220	2,826	4,913
Transfers to provisions for service warranties	241,204	517,688	45,508	105,961
Other expenses	899,951	1,585,625	392,461	881,086
	₩ 3,421,611	₩ 6,051,734	₩ 1,958,178	₩ 4,449,280

23. EMPLOYEE BENEFIT EXPENSES:

Details of employee benefit expenses for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Wages and salaries	₩ 341,978	₩ 663,287	₩ 308,864	₩ 615,248
Retirement benefits: Defined benefit plan	20,023	40,045	21,200	42,400
Retirement benefits: Defined contribution plan	1,309	2,694	673	1,462
Others	47,419	90,589	46,990	91,999
	₩ 410,729	₩ 796,615	₩ 377,727	₩ 751,109

24. FINANCE INCOME AND COSTS:

Details of finance income and costs for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Finance income:				
Interest income (*1)	₩ 39,007	₩ 49,206	₩ 30,305	₩ 55,233
Exchange differences	158,876	262,504	641,169	732,197
Gain on derivative instruments	216,637	739,028	(50,225)	-
	₩ 414,520	₩ 1,050,738	₩ 621,249	₩ 787,430
Finance costs:				
Interest expense (*2)	₩ 153,584	₩ 280,267	₩ 116,722	₩ 200,754
Exchange differences	329,552	815,548	80,436	167,822
Loss on derivative instruments	-	-	647,890	648,827
Loss on valuation of financial assets at FVPL	-	83,732	-	-
Loss on disposal of financial assets at FVPL	126	3,272	-	-
	₩ 483,262	₩ 1,182,819	₩ 845,048	₩ 1,017,403

(*1) Details of interest income for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Cash and cash equivalents and others	₩ 36,729	₩ 43,454	₩ 24,803	₩ 34,957
Financial assets at FVPL	393	2,015	3,843	16,822
Other loans and receivables	1,885	3,737	1,659	3,454
	₩ 39,007	₩ 49,206	₩ 30,305	₩ 55,233

(*2) Details of interest expense for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Interest on financial institutions	₩ 1,967	₩ 5,243	₩ 2,151	₩ 3,631
Interest on lease liabilities	1,291	2,477	423	936
Interest on debentures	157,760	281,260	122,474	209,068
Other interest expenses	1,687	9,341	576	6,747
Capitalized interest for qualifying assets	(9,121)	(18,054)	(8,902)	(19,628)
	₩ 153,584	₩ 280,267	₩ 116,722	₩ 200,754

25. OTHER NON-OPERATING INCOME:

Details of other non-operating income for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Exchange differences	₩ 76,853	₩ 244,273	₩ 80,848	₩ 134,320
Gain on disposal of property, plant and equipment	59	64	40	124
Gain on disposal of intangible assets	-	820	-	-
Dividend income	554,272	779,366	567,958	584,069
Others	49,750	90,567	21,614	41,209
	₩ 680,934	₩ 1,115,090	₩ 670,460	₩ 759,722

26. OTHER NON-OPERATING EXPENSES:

Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Exchange differences	₩ 49,461	₩ 129,986	₩ 215,466	₩ 270,371
Loss on disposal of property, plant and equipment	6,925	14,345	12,022	12,530
Impairment of property, plant and equipment	3,720	4,513	-	4,013
Loss on disposal of intangible assets	77	88	-	10
Impairment of intangible assets	-	-	17	76
Donations	663	666	40	64
Others	169	276	1,213	2,750
	₩ 61,015	₩ 149,874	₩ 228,758	₩ 289,814

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, but has no additional Pillar Two income tax liability for the current period and has applied the exception to the recognition and disclosure of deferred tax.

28. EARNINGS (LOSS) PER SHARE:

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

Basic earnings (loss) per ordinary share for the three-month and six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Profits (loss) attributable to ordinary shares	₩ (213,809)	₩ (571,987)	₩ 11,352	₩ (216,574)
Weighted-average number of ordinary shares outstanding	234,000,000	234,000,000	234,000,000	234,000,000
Basic earnings (loss) per ordinary share (in Korean won)	₩ (914)	₩ (2,444)	₩ 49	₩ (926)

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

29. RELATED-PARTY TRANSACTIONS:

(1) As of June 30, 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 June 30, 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	Subsidiary of LG Corp.
LG CNS Co., Ltd.	Biz Tech I Co., Ltd. and others	LG CNS America Inc. and others	
LG Management Development Institute			
LG Sports Ltd.			
LG Display, Inc.	NANUMNURI CO., LTD.	LG Display America, Inc. and others	LG Enterprise Group (*)
LG Electronics, Inc.	LG Innotek Co., Ltd. and others	LG Electronics Philippines, Inc. and others	
LG Household & Health Care Ltd.	Coca-Cola Beverage Co. and others	LG Household & Health Care Trading (Shanghai) CO., LTD. and others	
LG Uplus Corp.	LG HelloVision Corp. and others	LG UPLUS FUND I LLC and others	
HS AD Inc.		GIIR America Inc. and others	

(*) Although these entities are not the 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.

(3) Transactions with related parties for the six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026					
		Purchase and others				
	Sales and others (*1)	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Acquisition of right-of-use asset	Interest expense	Others
Parent:						
LG Chem, Ltd.	₩ 12,516	₩ 13,584	₩ -	₩ 864	₩ 10	₩ 694
Subsidiaries:						
LG Energy Solution (Nanjing) Co., Ltd	800,681	576,319	-	-	-	35
LG Energy Solution Michigan Inc.	655,270	532	-	-	-	14,873
LG Energy Solution Battery (Nanjing) Co., Ltd.	51,252	210,596	-	-	-	-
LG Energy Solution Wroclaw sp. z o.o.	344,880	45,929	-	-	-	450
LG Energy Solution Australia Pty Ltd.	4	-	-	-	-	8,009
LG Energy Solution Technology (Nanjing) Co., Ltd.	205,312	614,043	-	-	-	13,575
LG Energy Solution Europe GmbH	10,048	-	-	-	-	27,089
Areumnoori Co., Ltd.	8	-	-	-	-	6,021
LG Energy Solution Vertech Inc.	68,269	-	-	-	-	178,774
LG Energy Solution Arizona, Inc.	4,199	-	-	-	-	4,282
L-H Battery Company, Inc.	5,253	73	-	-	-	-
LG Energy Solution India Private Ltd.	-	-	-	-	-	733
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	1,426
HLBMA LLC(*2)	266,383	-	-	-	-	-
PT. HLI Green Power	16,248	-	-	-	-	-
NextStar Energy Inc.	6,305	10	-	-	-	-
LG Energy Solution China Co., Ltd.	-	-	-	-	-	2,070
Xensol Energy (Nanjing) Co., Ltd.	-	-	-	-	-	9,633
Associates:						
Sama Aluminium Co., Ltd.	-	3,500	-	-	-	1
Nexpo Co., Ltd.	-	14	-	-	-	-
Jeju Bukchon BESS Power Plant Co., Ltd.	5	-	-	-	-	-
PT LBM Energi Baru Indonesia	83,858	155	-	-	-	-
Other related parties:						
LG Corp.	-	-	-		-	24,020
HAENGBOKNURI CO., LTD.	2	-	-	-	-	382
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	9,412	-	-	-	-
LG HY BCM Co., Ltd.	-	4,858	-	-	-	412
TECWIN Co., Ltd.	-	-	11,831	-	-	-
LG Management Development Institute	-	-	-	-	-	12,195
D&O Co., Ltd. and its subsidiaries	45	-	3,014	-	-	4,486
LG CNS Co., Ltd. and its subsidiaries	31,030	19	52,546	-	-	84,929
Others	-	-	-	-	-	410
Others:						
LG Electronics Inc., Ltd. and its subsidiaries	46,263	12,925	25,457	16,034	90	11,328
Others	21	-	229	-	25	3,023
	₩2,607,852	₩ 1,491,969	₩ 93,077	₩ 16,898	₩ 125	₩ 408,850

(*1) Dividends received and other income are included.
(*2) During the six-month period ended June 30, 2026, HL-GA Battery Company LLC changed its name to HLBMA LLC.

	2025					
		Purchase and others				
	Sales and others (*1)	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangibles	Acquisition of right-of-use asset	Interest expense	Others
Parent:						
LG Chem, Ltd.	₩ 15,364	₩ 19,797	₩ -	₩ -	₩ 5	₩ 1,089
Subsidiaries:						
LG Energy Solution (Nanjing) Co., Ltd	656,216	858,226	363	-	-	339
LG Energy Solution Michigan Inc.	106,433	75	-	-	-	7,539
LG Energy Solution Battery (Nanjing) Co., Ltd.	70,801	242,857	-	-	-	1,157
LG Energy Solution Wroclaw sp. z o.o.	529,390	-	-	-	-	-
LG Energy Solution Australia Pty Ltd.	2	-	-	-	-	13,225
LG Energy Solution Technology (Nanjing) Co., Ltd.	60,913	589,636	-	-	-	70
Ultium Cells LLC	351,734	-	-	-	-	-
LG Energy Solution Europe GmbH	6,167	-	-	-	-	22,046
LG Energy Solution (Taiwan), Ltd.	369	-	-	-	-	990
Areumnoori Co., Ltd.	1,907	-	-	-	-	5,967
LG Energy Solution Vertech Inc.	28,259	-	-	-	-	(158,135)
LG Energy Solution Arizona, Inc.	-	-	-	-	-	3,815
L-H Battery Company, Inc.	8,814	479	-	-	-	-
LG Energy Solution India Private Limited	4,456	-	-	-	-	2,080
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	1,335
HLBMA LLC(*2)	267,493	-	-	-	-	-
PT. HLI Green Power	19,022	15	27	-	-	3,452
NextStar Energy Inc.	7,704	9	-	-	-	4
Associates and joint ventures:						
Sama Aluminium Co., Ltd.	-	656	-	-	-	-
Mintech Co., Ltd.	-	-	195	-	-	-
Nexpo Co., Ltd.	-	26	-	-	-	-
Other related parties:						
LG Corp.	-	-	-	-	-	17,816
HAENGBOKNURI CO., LTD.	2	-		-	-	392
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	10,899	-	-	-	-
LG HY BCM Co., Ltd.	-	908	-	-	-	61
TECWIN Co., Ltd.	-	-	16,495	-	-	47
LG Management Development Institute	-	-	-	-	-	12,409
D&O Co., Ltd. and its subsidiaries	44	-	3,300	-	-	2,497
LG CNS Co., Ltd. and its subsidiaries	15,781	23	65,604	-	-	80,159
Others	-	-	-	-	-	450
Others:						
LG Electronics Inc., Ltd. and its subsidiaries	102,628	12,943	59,470	-	27	73,320
Others	14	-	18	-	2	1,537
	₩ 2,253,513	₩ 1,736,549	₩ 145,472	₩ -	₩ 34	₩ 93,661

(*1) Dividends received and other income are included.
(*2) During the six-month period ended June 30, 2026, HL-GA Battery Company LLC changed its name to HLBMA LLC.

(4) Balances of receivables and payables from related parties as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026						
	Receivables			Payables			
	Trade receivables	Other receivables	Total	Trade payables	Lease liabilities	Other payables	Total
Parent:							
LG Chem, Ltd.	₩ -	₩ 5,077	₩ 5,077	₩ 1,939	₩ 665	₩ 7,937	₩ 10,541
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd	1,374	129,048	130,422	186,768	-	27	186,795
LG Energy Solution Michigan Inc.	275,491	279,364	554,855	5,299	-	18,448	23,747
LG Energy Solution Battery (Nanjing) Co., Ltd.	1,017	73	1,090	75,515	-	11	75,526
LG Energy Solution Wroclaw sp. z o.o.	153,505	137,179	290,684	28,904	-	776	29,680
LG Energy Solution Australia Pty Ltd.	4	137	141	-	-	1,846	1,846
LG Energy Solution Technology (Nanjing) Co., Ltd.	911	-	911	184,815	-	190	185,005
LG Energy Solution Europe GmbH	10,087	5,548	15,635	-	-	60,836	60,836
Areumnoori Co., Ltd.	-	-	-	-	-	1,115	1,115
LG Energy Solution Vertech Inc.	286,809	666,503	953,312	-	-	317,303	317,303
LG Energy Solution Arizona, Inc.	-	5,687	5,687	-	-	1,581	1,581
L-H Battery Company, Inc.	1,250	4,696	5,946	19	-	-	19
LG Energy Solution India Private Limited	-	-	-	-	-	177	177
LG Energy Solution Japan Co., Ltd.	-	-	-	-	-	290	290
HLBMA LLC(*2)	-	266,792	266,792	-	-	-	-
PT. HLI Green Power	-	18,126	18,126	-	-	-	-
NextStar Energy Inc.	-	38,249	38,249	24	-	-	24
LG Energy Solution China Co., Ltd.	-	-	-	-	-	1,645	1,645
Xensol Energy (Nanjing) Co., Ltd.	-	-	-	-	-	10,273	10,273
Associates:							
Sama Aluminium Co., Ltd.	-	-	-	3,051	-	30	3,081
Jeju Bukchon BESS Power Plant Co., Ltd.	-	-	-	-	-	240	240
PT LBM Energi Baru Indonesia	-	102,555	102,555	158	-	5	163
Other related parties:							
LG Corp.	-	-	-	-	-	5,441	5,441
HAENGBOKNURI CO., LTD.	-	-	-	-	-	103	103
LEYOU NEW ENERGY MATERIALS (WUXI) Co., Ltd.	-	-	-	-	-	4	4
LG HY BCM Co., Ltd.	-	-	-	510	-	2,323	2,833
TECWIN Co., Ltd.	-	-	-	-	-	4,904	4,904
LG Management Development Institute	-	-	-	-	-	697	697
D&O Co., Ltd. and its subsidiaries	-	194	194	-	-	1,986	1,986
LG CNS Co., Ltd. and its subsidiaries	17,212	-	17,212	-	-	61,140	61,140
Others:							
LG Electronics Inc., Ltd. and its subsidiaries (*1)	29,787	11,467	41,254	2,274	15,725	13,045	31,044
Others	-	815	815	-	1,466	3,933	5,399
	₩ 777,447	₩ 1,671,510	₩ 2,448,957	₩ 489,276	₩ 17,856	₩ 516,306	₩ 1,023,438

(*1) Provisions for GM Bolt EV recall are not included in the balance of receivables and payables above.
(*2) During the six-month period ended June 30, 2026, HL-GA Battery Company LLC changed its name to HLBMA LLC.

	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
HLBMA LLC(*2)	-	-	-	658	-	336	994
PT. HLI Green Power	-	21,946	21,946	-	-	-	-
NextStar Energy Inc.	-	21,546	21,546	18	-	1	19
Associates and joint ventures:							
Sama Aluminium Co., Ltd.	-	-	-	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 (*1)	31,391	9,023	40,414	2,077	4,334	43,475	49,886
Others	-	815	815	-	1,955	3,653	5,608
	₩ 723,284	₩ 1,086,740	₩1,810,024	₩ 497,531	₩ 6,289	₩ 329,420	₩ 833,240

(*1) Provisions for GM Bolt EV recall are not included in the balance of receivables and payables above.
(*2) During the six-month period ended June 30, 2026, HL-GA Battery Company LLC changed its name to HLBMA LLC.

(5) Fund transactions with related parties for the six-month periods ended June 30, 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.	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 864	₩ 215
Subsidiaries:							
LG Energy Solution (Nanjing) Co., Ltd.	595,165	-	-	-	-	-	-
LG Energy Solution Technology (Nanjing) Co., Ltd..	147,330	-	-	-	-	-	-
LG Energy Solution Fund I LLC.	-	-	735	-	-	-	-
LG Energy Solution Battery (Nanjing) Co., Ltd.	36,833	-	-	-	-	-	-
LG Energy Solution Arizona, Inc.	-	-	292,211	-	-	-	-
NextStar Energy Inc.	-	-	149,980	-	-	-	-
LG Energy Solution Fund II LLC	-	-	2,768	-	-	-	-
Associates:							
Sama Aluminium Co., Ltd.	38	-	-	-	-	-	-
Bricks Capital Management Global Battery Private Equity Fund I	-	-	262	-	-	-	-
Others:							
LG Electronics Inc., Ltd.	-	-	-	-	-	16,034	5,118
LG Household & Health Care Ltd.	-	-	-	-	-	-	464
	₩ 779,366	₩ -	₩ 445,956	₩ -	₩ -	₩ 16,898	₩ 5,797

(*) The amounts represent lease liabilities that were recognized or repaid during the six-month period ended June 30, 2026.

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

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

(6) Compensation for key management of the Company for the six-month periods ended June 30, 2026 and 2025, is as follows (Korean won in millions):

	2026	2025
Short-term employee benefits	₩ 31,920	₩ 35,703
Retirement benefits	2,816	2,661
	₩ 34,736	₩ 38,364

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

(7) The payment guarantees provided by the Company for the related parties as of June 30, 2026, are disclosed in Note 18.

30. INTERIM CONDENSED SEPARATE STATEMENTS OF CASH FLOWS:

(1) Details of cash generated from operations for the six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026	2025
Loss before income tax	₩ (571,987)	₩ (216,574)
Adjustments for:		
- Income tax expense (benefit)	46,156	(70,869)
- Depreciation	256,892	201,196
- Amortization	112,066	97,327
- Retirement benefits	40,045	42,400
- Financial income	(995,548)	(733,265)
- Financial costs	1,067,496	1,060,708
- Exchange differences	1,271	-
- Loss on valuation of inventories	36,762	22,386
- Gain on disposal of property, plant and equipment	(64)	(124)
- Gain on disposal of intangible assets	(820)	-
- Loss on disposal of property, plant and equipment	14,345	12,530
- Loss on disposal of intangible assets	88	10
- Impairment loss on property, plant and equipment	4,513	4,013
- Impairment loss on intangible assets	-	76
- Contribution to provisions	518,584	106,025
- Dividend income	(779,366)	(584,069)
- Other income and expenses	1,303	568
- Changes in inventories	(501,034)	193,118
- Changes in trade receivables	(34,901)	379,798
- Changes in other receivables	(753,032)	(110,581)
- Changes in other assets	(59,945)	37,387
- Changes in trade payables	276,724	(364,485)
- Changes in other payables	43,251	(512,008)
- Changes in other liabilities	66,257	128,530
- Changes in net defined benefit liabilities	(6,288)	(4,267)
- Changes in provisions	(260,028)	(132,558)
Cash generated from operations	₩ (1,477,260)	₩ (442,728)

(2) Changes in liabilities from financing activities for the six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026						
	Beginning	Cash flows from financing activities	Reclassification of current portion	Amortization	Lease liabilities	Exchange differences and others	Ending
Short-term borrowings	₩ 34,433	₩ 277,025	₩ 28,425	₩ -	₩ -	₩ -	₩ 339,883
Long-term borrowings	386,356	(270,358)	(28,425)	330	18,719	-	106,622
Debentures	12,100,514	2,436,340	-	10,824	-	635,621	15,183,299
	₩ 12,521,303	₩ 2,443,007	₩ -	₩ 11,154	₩ 18,719	₩ 635,621	₩ 15,629,804

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

(3) Significant non-cash transactions for the six-month periods ended June 30, 2026 and 2025, are as follows (Korean won in millions):

	2026	2025
Reclassification of construction in progress	₩ 329,869	₩ 533,151
Changes in other payables related to acquisition of property, plant and equipment and intangible assets	(180,942)	(157,889)
Reclassification of debentures into current portion	592,855	624,491
Reclassification of machinery in transit	9,684	12,632

31. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

(1) Liabilities related to contracts with customers as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026	December 31, 2025
Contract liabilities:		
Advances from customers received as part of the Company`s main business activities	₩ 86,938	₩ 74,604
Expected customer incentives	3,353	9
Unearned revenue	6,107	30,458
	₩ 96,398	₩ 105,071

(2) Revenue recognized in relation to contract liabilities

Revenue recognized from the carryforward contract liabilities for the three-month and six-month periods ended June 30, 2026 and 2025, is as follows (Korean won in millions):

	2026		2025	
	Three months	Six months	Three months	Six months
Revenue recognized in the period from the beginning contract liabilities:				
Revenue in relation to advances from customers received as part of the Company's main business activities	₩ 8,776	₩ 9,072	₩ 7,173	₩ 24,614
Unearned revenue	295	26,292	125,608	259,029
	₩ 9,071	₩ 35,364	₩ 132,781	₩ 283,643

32. INVESTMENT PROPERTIES:

(1) Details of investment properties as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026				December 31, 2025			
	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Book value
Buildings	₩ 286,954	₩ (84,640)	₩ (1,437)	₩ 200,877	₩ 297,194	₩ (83,947)	₩ (1,460)	₩ 211,787
Land	274	(19)	(34)	221	283	(17)	(34)	232
	₩ 287,228	₩ (84,659)	₩ (1,471)	₩ 201,098	₩ 297,477	₩ (83,964)	₩ (1,494)	₩ 212,019

(2) Changes in investment properties for the six-month period ended June 30, 2026, and the year ended December 31, 2025, are as follows (Korean won in millions):

	2026		2025	
	Land	Buildings	Land	Buildings
Beginning	₩ 232	₩ 211,787	₩ 228	₩ 225,866
Acquisition/Transfer	27	31	8	164
Disposal/Transfer	(36)	(8,033)	-	(8,302)
Depreciation	(2)	(2,908)	(4)	(5,941)
Ending	₩ 221	₩ 200,877	₩ 232	₩ 211,787

(3) The fair value of investment properties is measured by independent professional appraisers with certified qualifications or measured based on official appraised value of land and available information from recent transactions of similar properties, and it is classified as 'Level 3' of the fair value hierarchy. The fair value of investment properties as of June 30, 2026, is KRW 216,223 million (as of December 31, 2025, was KRW 221,868 million).

Rental income from investment properties under operating leases for the six-month period ended June 30, 2026, is KRW 5,943 million, and operating expenses incurred for investment properties that generated rental income (including maintenance and repair expenses) for the six-month period ended June 30, 2026, are KRW 2,910 million.

(4) Operating lease

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

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

The future minimum lease payments expected to be received in relation to the above operating lease agreement for investment properties as of June 30, 2026, and December 31, 2025, are as follows (Korean won in millions):

	June 30, 2026	December 31, 2025
Less than one year	₩ 11,930	₩ 2,289
Between one year and two years	90	173
	₩ 12,020	₩ 2,462