

The 6th Annual General Meeting of Shareholders

CEO Keynote

Kim, Dong Myung

CEO of LG Energy Solution

 **LG Energy Solution**

Global Battery Market : Risks and Opportunities

EREV/HEV Short-term Strategies

OEMs Scaling Back Electrification Strategies

Easing of CO₂ Regulation in Europe

Rising Global Tariffs

Intensifying Price Competition

Slowdown in EV demand

Increase in ESS demand

OBBBA Enactment

Strengthening localization requirements

Maintenance of AMPC

Expansion of AI DC

Reshoring Trends

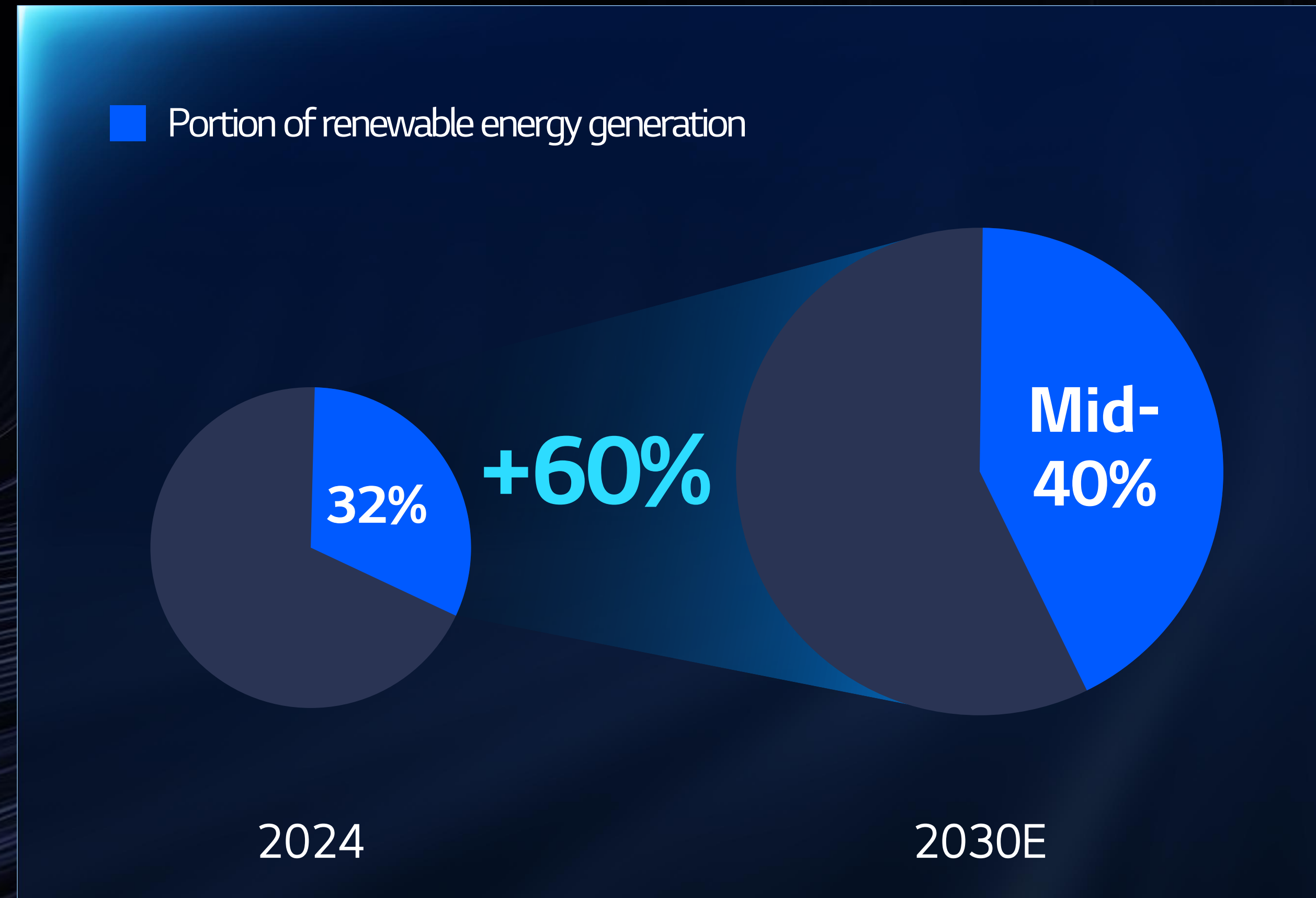
ITC Benefits for Customers

Acceleration of Renewable Energy Adoption

Expansion of Renewable Energy Generation and Growing Demand for Grid Stability Led by Increase in Power Consumption

Expansion of Renewable Energy Generation

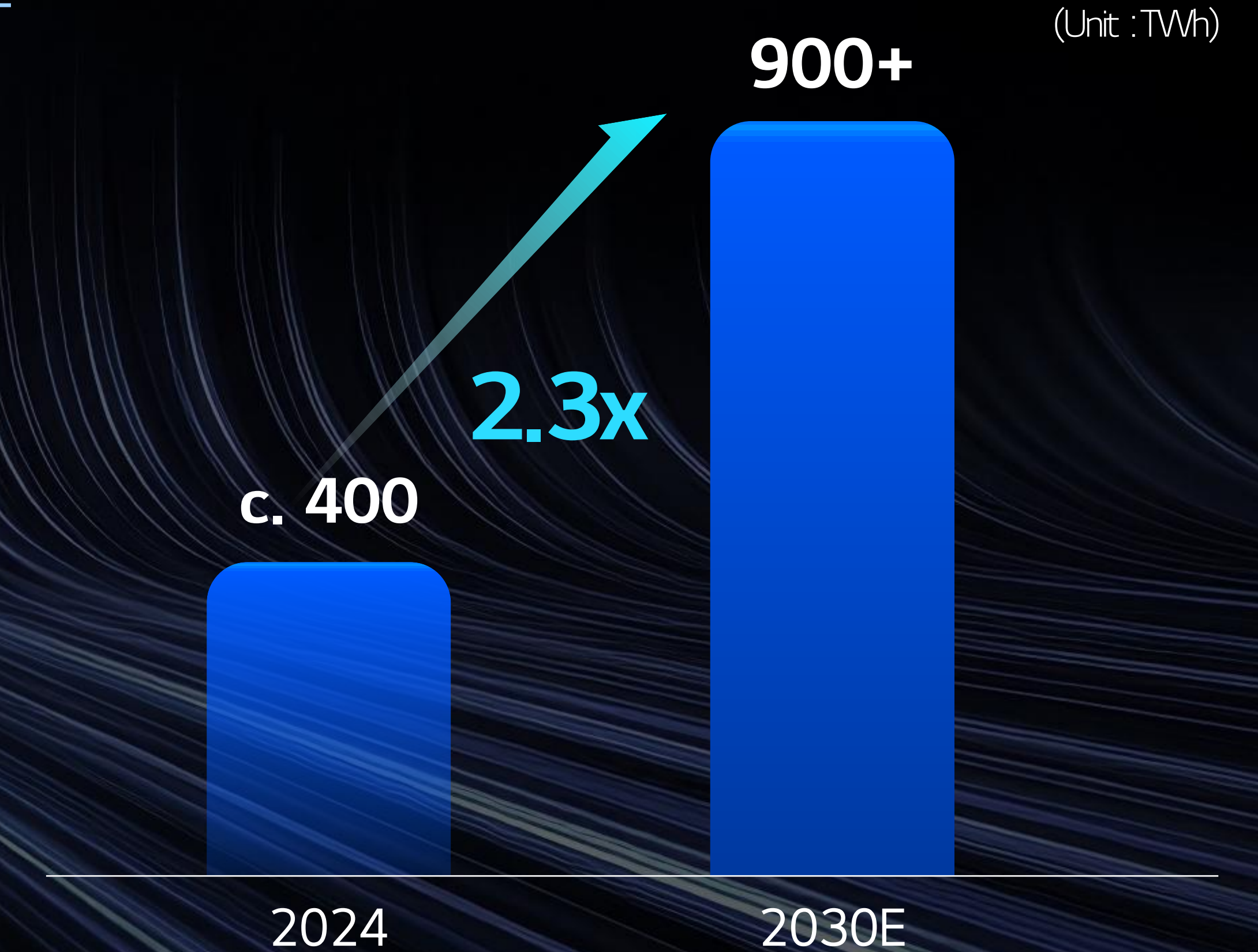
Share of renewables in global power generation



Source : IEA analysis

AI Data Center Momentum

Global data center Power consumption



Acceleration of Demand for ESS to Complement the Limits of Traditional Power Sources

Renewable Energy + ESS

+

ESS

Lead-time Advantage

Nuclear	10~15 yrs
SMR	5~10 yrs
Gas/Coal	5~7 yrs
Solar+ESS	✓ 1~3 yrs

Cost Effectiveness (LCOE)

$$LCOE = \frac{CAPEX + OPEX + Fuel + Financing}{Lifetime\ Electricity}$$

✓ Renewables+ESS < Nuclear < Gas < Coal

Power Quality Stability (Peak Shaving)

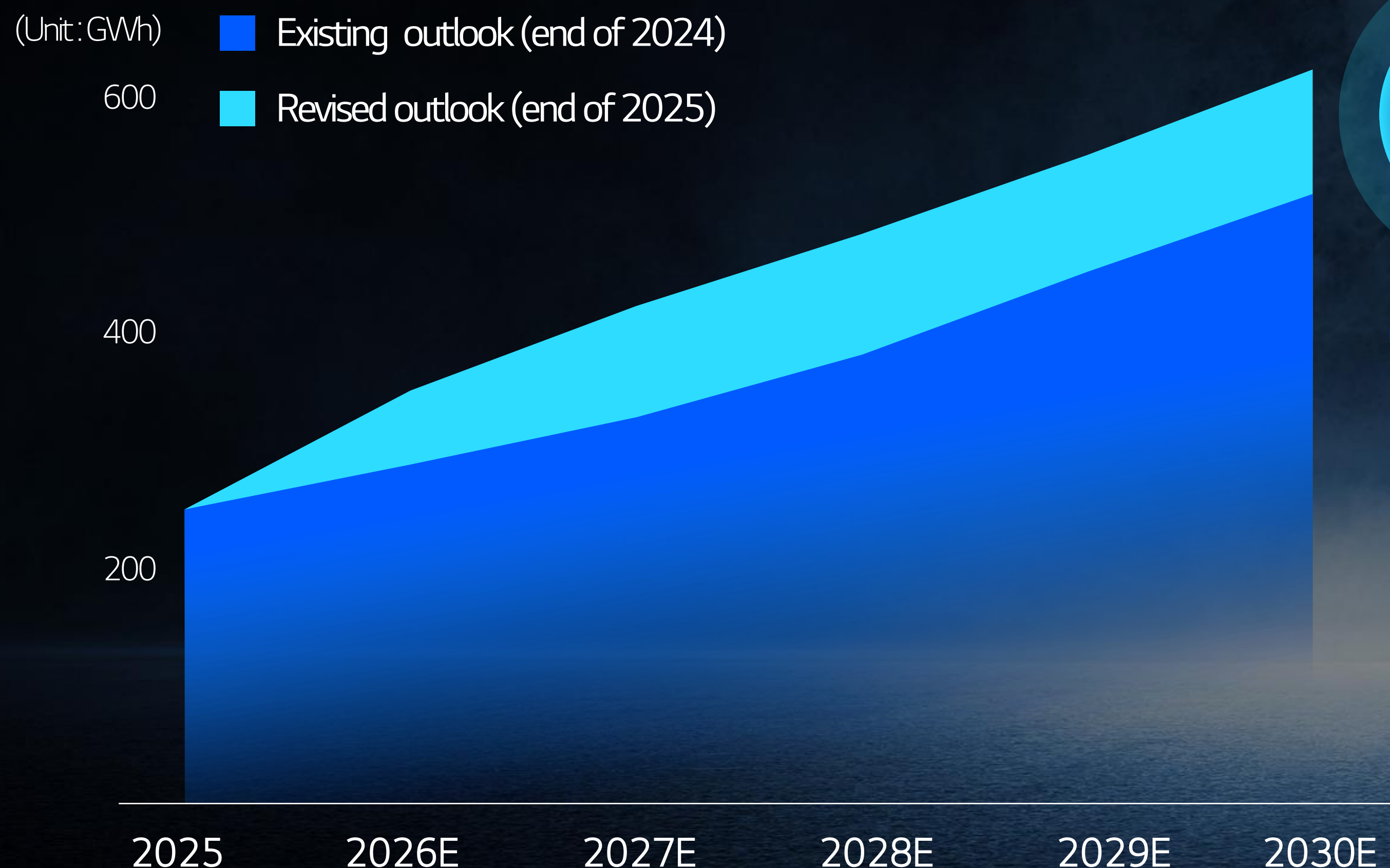
Uninterrupted Power Support



ESS Demand Growth + Regulatory Barriers

→ Growth Momentum Concentrated around Prepared Players

Global ESS Demand



CAGR 20%

CAGR 16%

Localization Policies

<p>North America</p> <p>OBBBA One Big Beautiful Bill Act</p>	<ul style="list-style-type: none"> Strengthened PFE* Requirements and Increased Importance of Non-China Supply Chain Local Production Requirements for Tax Benefits like ITC* and AMPC
<p>Europe</p> <p>IAA Industrial Accelerator Act</p>	<ul style="list-style-type: none"> Union-made component ratio requirement for public procurement and government-funding projectst Graded incentives based on contribution to EU production/supply chain

* Source : Market outlook & company prediction

* Prohibited Foreign Entity : US-designated concern-based companies in countries like China; exclusion from tax credit benefits in PFE procurement
 * Investment Tax Credit : Tax credit for clean energy plant investors meeting Non-PFE requirements

Securing Competitive Advantage as the Only Player Capable of Immediately Responding to Local Production Needs

ESS Order Backlog

50GWh

140GWh

New orders
90GWh↑

End of 2024

End of 2025

End of 2026E

Regional Strengths of LGES



- Secure position as the only local LFP ESS supplier through immediate ESS utilization of EV assets
- Building a supply chain meeting non-PFE requirements



- Enhance local ESS production advantages by utilizing spare assets
- Using the cost-competitive supply chain optimization strategies

Transition from the Policy-driven to Product Competitiveness-driven Market

EV Catalyst



SDV*
Advancement



Autonomous Driving
Commercialization



Price
Parity



Quick
Charging

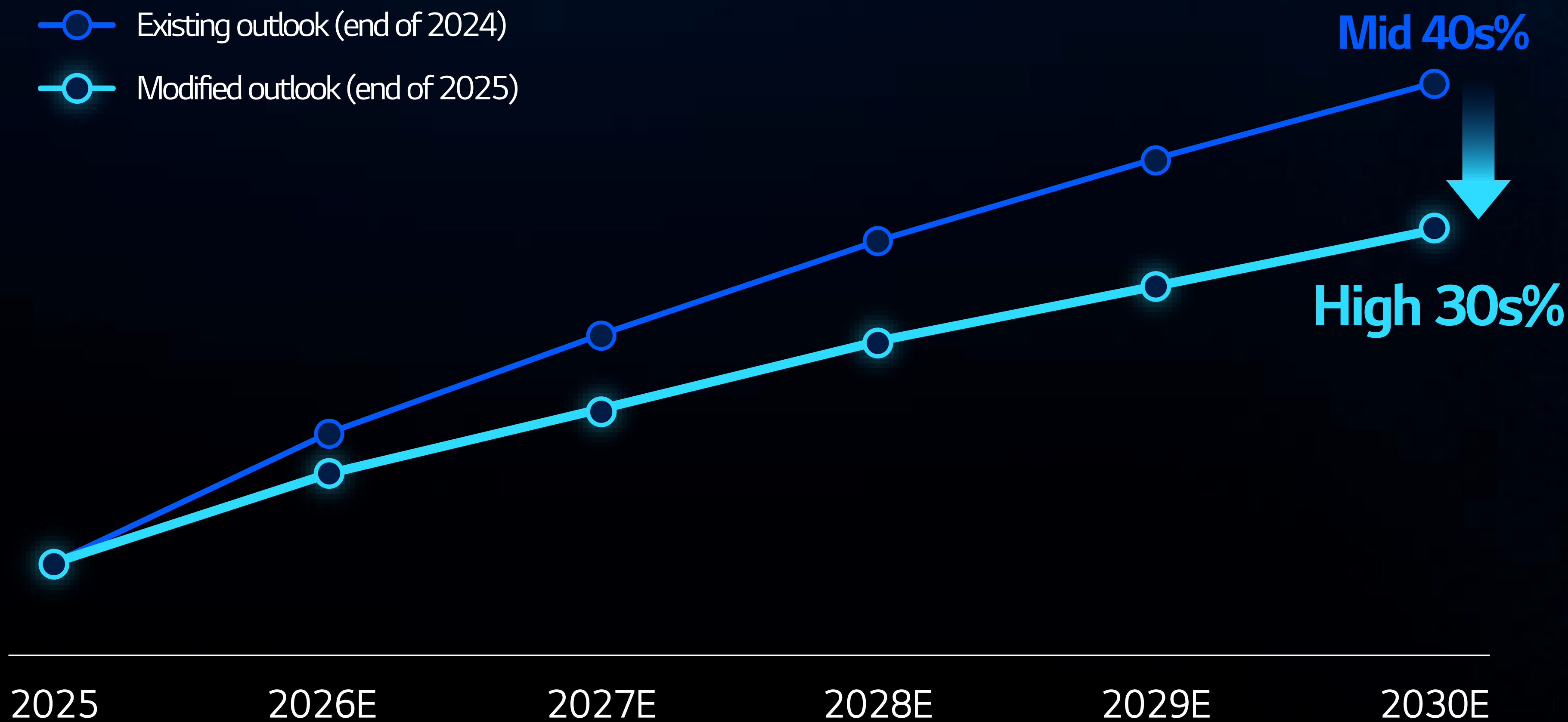
Battery Catalyst

* Software Defined Vehicle

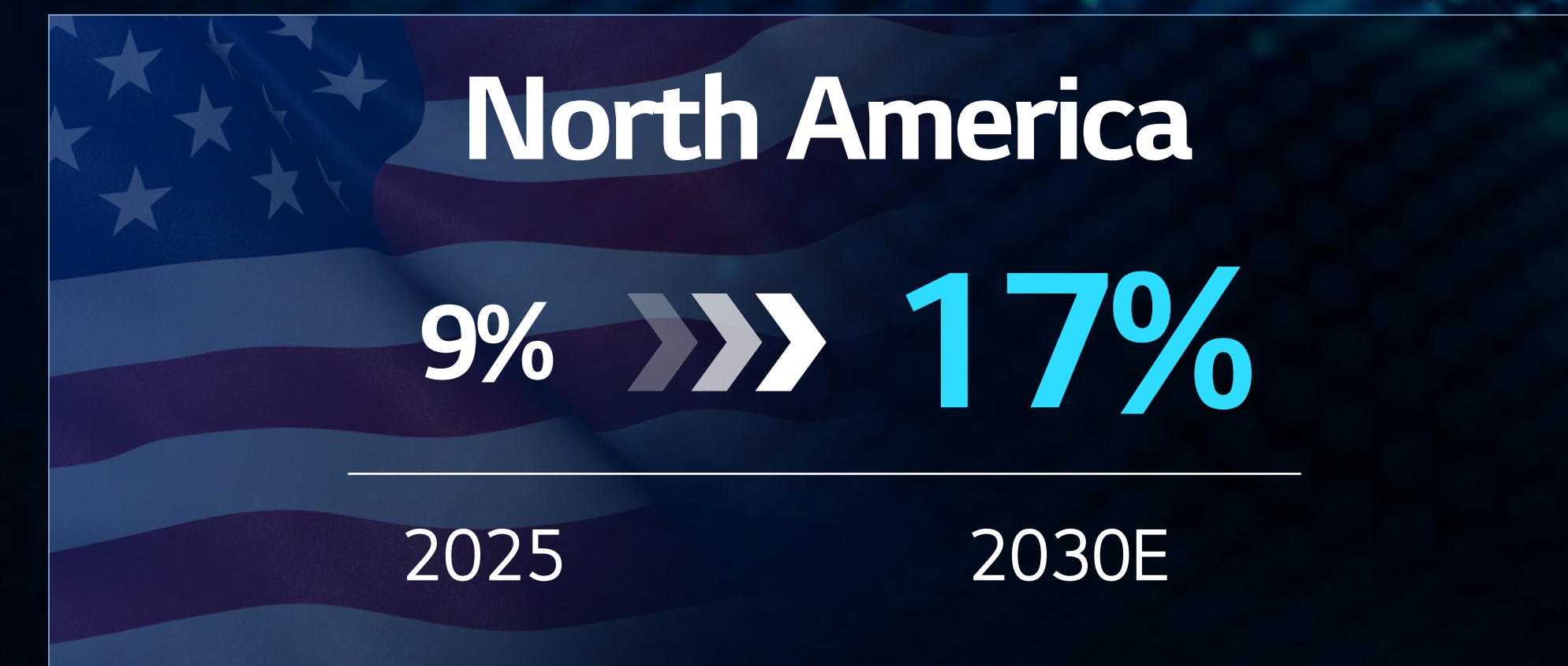
Despite the Short-term in Market Demand Growth, Long-term Demand Recovery and Our Growth Strategy Remain Valid

Global P-rate

- Existing outlook (end of 2024)
- Modified outlook (end of 2025)



Source : IHS Markit



Seizing the Market with Prepared Fundamental Competitiveness in the Recovery of EV Demand Growth



Key Strategic Initiatives

**Creating Outcomes that Lead to Tangible Results
based on Accumulated Capabilities and Execution Ability**

01

**Advancement
of Business Portfolios**

02

**Strengthening
Product/Future
Competitiveness**

03

**Early Securement of
Basis for FCF Generation**

Agile Response to Customer/Demand Changes, and Securing Growth Engine for New Businesses

EV

- Expansion of mid- to low-cost line-ups
- Diversification of form factors
- Expansion of EREV/HEV responses



Preemptive securing of product solutions
based on subdivided customer needs

ESS

- Response to full potential of available capacity
- Using operational strengths in North America
- Maximization of SI-based turn-key capabilities



Dominating a high-growth market in advance
through prepared capacity

New Business

- Expansion of application including humanoid, UAM, and ships
- Advancement of SW/service businesses



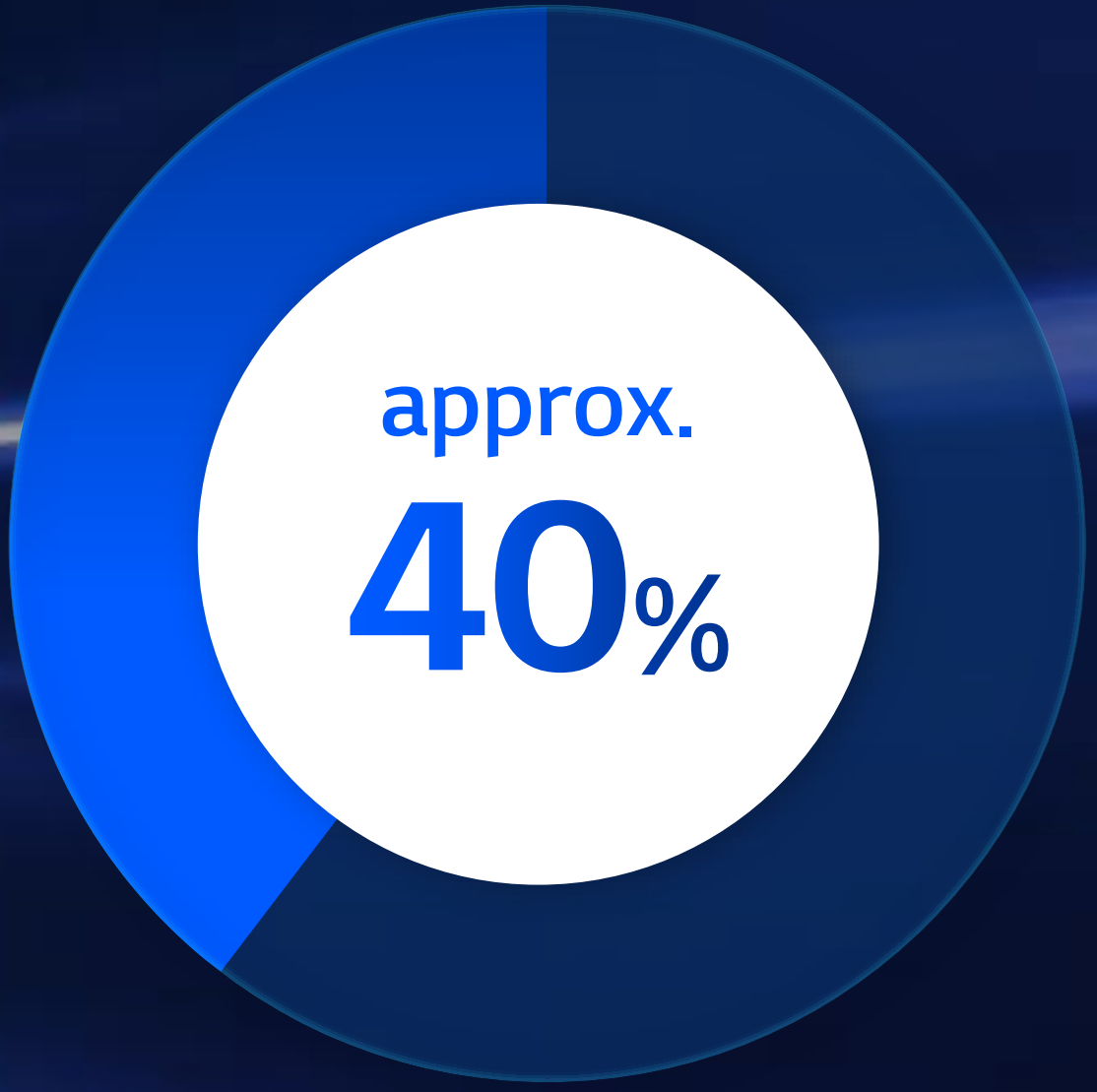
Creation of future growth opportunities
through expanding customer contact points

Balanced Growth through Speedy Portfolio Rebalancing

Revenue proportion of ESS and New business



2025



2026E



2030E

Strengthening the Alignments of Products and Technology Prioritized by Customers

Strengthening winning product technologies

Prismatic LFP(ESS)/LMR(EV)

Development of high-capacity cells and securing cost competitiveness



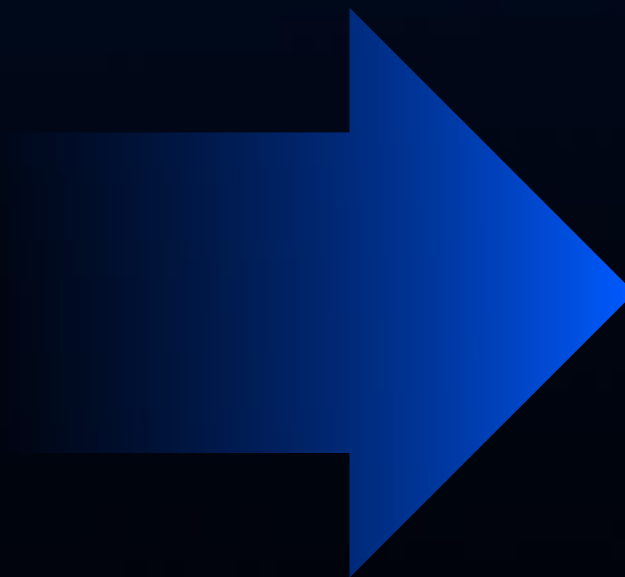
46 Series High-Ni

High-power/high capacity/long-life performance improvement



Pouch High-voltage Mid-Ni

Expansion of energy density superiority and cost innovation



ESS

High-capacity system

TCO* competitiveness

EV

Quick charging

Value to customer

SI-based Turnkey Solution

Driving distance

CTx* solutions

*Total Cost of Ownership *Cell-to-x(Pack, Chassis, Body, etc)

Concentrating Resources on Winning Products/Technology and Cost Structure Innovation

Future preparation technology

All-solid-state battery

High energy density and high safety



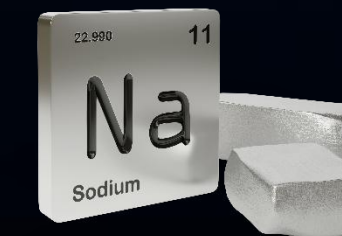
Dry type electrode

Maximization of electrode density and process simplification



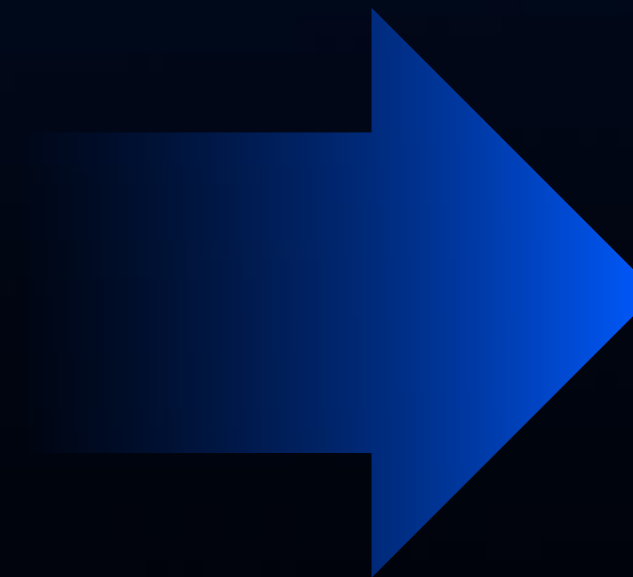
Sodium battery

Low-temperature performance priority and long-life



SW solution

BMS, EMS, EMO, virtual power plant platform



Customer-provided value

Next-generation application
Performance enhancement

High-output solution

Stability in project
operation

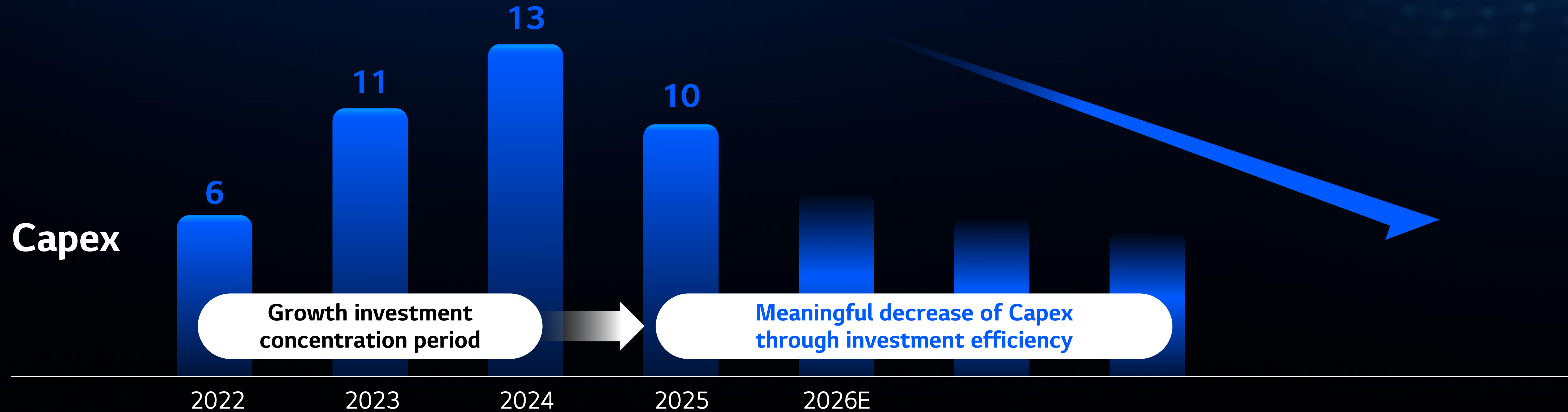
Cost structure innovation

Safety strengthening

End-to-End
differentiation

Establishing a Foundation for Enhancing Mid to Long-term Corporate Value with the Cash Flow Management-centered Operational System

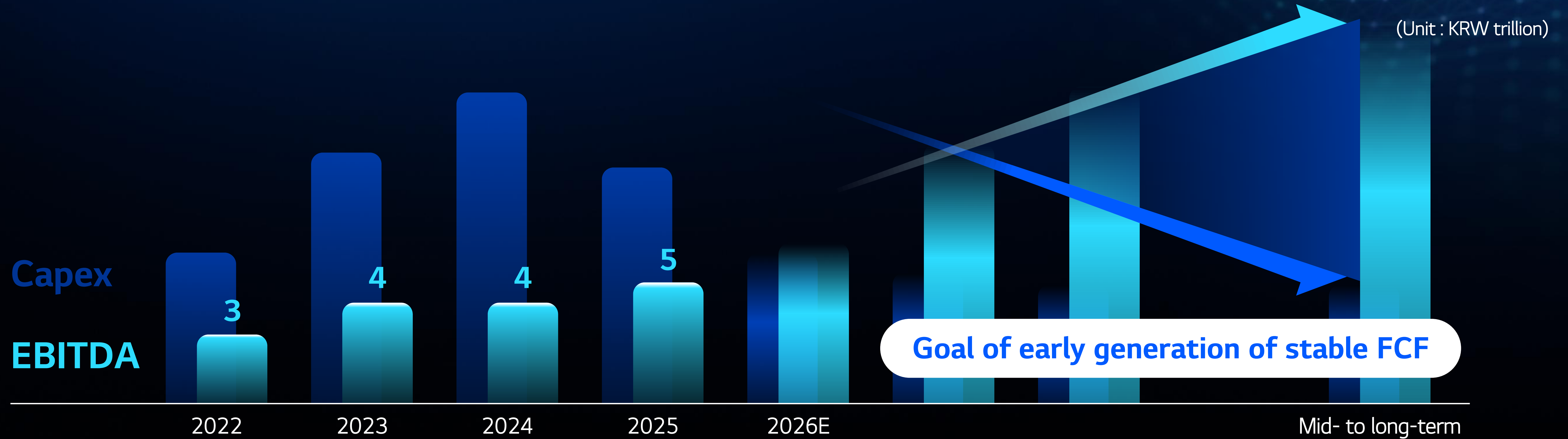
(Unit : KRW trillion)




Establishing a Foundation for Enhancing Mid to Long-term Corporate Value with the Cash Flow Management-centered Operational System



Establishing a Foundation for Enhancing Mid to Long-term Corporate Value with the Cash Flow Management-centered Operational System





**In the period of value shift,
Creating Substantial Results
with Prepared Capabilities and Execution**

Thank you