

# **LG Electronics Inc.**

**Condensed Separate Interim Financial Statements  
September 30, 2023 and 2022**

**LG Electronics Inc.**  
**Index**  
**September 30, 2023 and 2022**

---

	<b>Page(s)</b>
<b>Report on Review of Condensed Separate Interim Financial Statements</b> .....	1 - 2
<b>Condensed Separate Interim Financial Statements</b>	
Separate Interim Statements of Financial Position .....	3
Separate Interim Statements of Profit or Loss .....	4
Separate Interim Statements of Comprehensive Income .....	5
Separate Interim Statements of Changes in Equity .....	6
Separate Interim Statements of Cash Flows .....	7
Notes to the Condensed Separate Interim Financial Statements .....	8 - 67



## Report on Review of Condensed Separate interim Financial Statements

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
LG Electronics Inc.

### ***Reviewed Financial Statements***

We have reviewed the accompanying condensed separate interim financial statements of LG Electronics Inc. (referred to as the “Company”). These condensed separate interim financial statements consist of the separate interim statement of financial position of the Company as of September 30, 2023, and the related separate interim statements of profit or loss, comprehensive income for the three-month and nine-month periods ended September 30, 2023 and 2022, and the related separate interim statements of changes in equity and cash flows for the nine-month periods ended September 30, 2023 and 2022, and material accounting policy information and other selected explanatory notes, expressed in Korean won.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed separate interim 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 condensed separate interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of 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 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 the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

**Other Matters**

We have audited the separate statement of financial position of the Company as of December 31, 2022, and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements, in our audit report dated March 17, 2023. The separate statement of financial position as of December 31, 2022, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as of December 31, 2022.

Review standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries.

November 14, 2023  
Seoul, Korea

This report is effective as of November 14, 2023, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**LG Electronics Inc.**  
**Separate Interim Statements of Financial Position**  
**September 30, 2023 and December 31, 2022**

<i>(in millions of Korean won)</i>	Notes	September 30, 2023 (Unaudited)	December 31, 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,31	2,640,099	1,941,615
Deposits held by financial institutions	4,31	140,000	170,969
Trade receivables	4,5,31	5,670,018	3,971,617
Other receivables	4,5,31	532,899	495,175
Other financial assets	4,6,31	32,493	840
Inventories	7	1,461,235	1,523,327
Current tax assets		16,354	2,102
Contract assets	8	653,918	430,444
Other current assets		589,193	583,534
		<u>11,736,209</u>	<u>9,119,623</u>
<b>Non-current assets</b>			
Deposits held by financial institutions	4,31	687	490
Trade receivables	4,5,31	415,382	138,712
Other receivables	4,5,31	1,176,963	163,543
Other financial assets	4,6,31	374,288	314,992
Property, plant and equipment	9	5,827,528	6,007,599
Intangible assets	9	1,905,842	1,715,271
Deferred tax assets		1,322,014	1,490,211
Investments in subsidiaries, associates and joint ventures	10	9,112,769	9,004,775
Investment properties		81,600	86,792
Net defined benefit assets	13	456,982	517,329
Contract assets	8	174,512	78,752
Other non-current assets		77,219	74,725
		<u>20,925,786</u>	<u>19,593,191</u>
		<u>32,661,995</u>	<u>28,712,814</u>
<b>Total assets</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	4,31	6,372,603	5,428,176
Borrowings	4,11,31	1,789,562	1,073,908
Lease liabilities	4,12,31	35,150	65,979
Other payables	4,31	1,779,913	2,055,049
Other financial liabilities	4,6,31	6,059	6,581
Current tax liabilities		14,515	14,515
Provisions	14	560,590	1,061,515
Contract liabilities	8	616,715	497,668
Other current liabilities		2,142,869	1,857,183
		<u>13,317,976</u>	<u>12,060,574</u>
<b>Non-current liabilities</b>			
Borrowings	4,11,31	7,397,016	6,472,122
Lease liabilities	4,12,31	41,876	50,530
Other payables	4,31	11,722	7,723
Other financial liabilities	4,6,31	47,266	36,358
Provisions	14	184,113	85,455
Contract liabilities	8	6,353	4,695
Other non-current liabilities		111,378	106,328
		<u>7,799,724</u>	<u>6,763,211</u>
		<u>21,117,700</u>	<u>18,823,785</u>
<b>Total liabilities</b>			
<b>Equity</b>			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	7,547,576	5,890,737
Accumulated other comprehensive income (loss)	17	37,190	38,763
Other components of equity	18	(32,819)	(32,819)
		<u>11,544,295</u>	<u>9,889,029</u>
<b>Total equity</b>		<u>11,544,295</u>	<u>9,889,029</u>
<b>Total liabilities and equity</b>		<u>32,661,995</u>	<u>28,712,814</u>

**LG Electronics Inc.**  
**Separate Interim Statements of Profit or Loss**  
**Three-Month and Nine-Month Periods Ended September 30, 2023 and 2022**

(in millions of Korean won, except per share amounts)

	Notes	Period Ended September 30			
		2023 (Unaudited)		2022 (Unaudited)	
		Three Months	Nine Months	Three Months	Nine Months
<b>Continuing operations</b>					
<b>Net sales</b>	19	7,412,751	22,115,216	6,871,632	22,062,878
<b>Cost of sales</b>	20	5,283,466	15,945,653	5,195,207	15,727,815
<b>Gross profit</b>		2,129,285	6,169,563	1,676,425	6,335,063
Selling and marketing expenses	20,21	935,405	2,686,240	1,031,492	3,085,886
Administrative expenses	20,21	196,151	580,122	170,876	534,060
Research and development expenses	20,21	449,041	1,278,538	423,636	1,224,588
Service costs	20,21	164,262	627,952	280,852	673,314
<b>Operating profit (loss)</b>		384,426	996,711	(230,431)	817,215
Financial income	22	162,366	525,529	142,814	335,614
Financial expenses	23	187,765	656,597	126,284	362,530
Other non-operating income	24	637,094	2,199,689	545,670	1,726,720
Other non-operating expenses	25	324,240	966,594	576,929	1,236,797
Profit (Loss) before income tax		671,881	2,098,738	(245,160)	1,280,222
Income tax expense (benefit)		107,043	339,013	(86,616)	277,830
<b>Profit (Loss) from continuing operations</b>		564,838	1,759,725	(158,544)	1,002,392
<b>Discontinued operations</b>					
Profit (Loss) from discontinued operations	32	(131)	394	31,833	(164,105)
<b>Profit (Loss) for the period</b>		564,707	1,760,119	(126,711)	838,287
<b>Earnings (Losses) per share during the period</b>					
<i>(in Korean won):</i>					
Earnings (Losses) per ordinary share	26	3,135	9,771	(705)	4,652
From continuing operations		3,136	9,769	(882)	5,563
From discontinued operations		(1)	2	177	(911)
Earnings (Losses) per preferred share		3,148	9,809	(692)	4,690
From continuing operations		3,149	9,807	(869)	5,601
From discontinued operations		(1)	2	177	(911)

**LG Electronics Inc.**  
**Separate Interim Statements of Comprehensive Income**  
**Three-Month and Nine-Month Periods Ended September 30, 2023 and 2022**

	Notes	Period Ended September 30			
		2023 (Unaudited)		2022 (Unaudited)	
		Three Months	Nine Months	Three Months	Nine Months
<i>(in millions of Korean won)</i>					
<b>Profit (Loss) for the period</b>		564,707	1,760,119	(126,711)	838,287
<b>Other comprehensive income (loss), net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurements of the net defined benefit liability	13	57,640	23,625	154,394	463,765
Financial assets at fair value through other comprehensive income	6	(3,331)	869	(4,405)	(20,023)
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Cash flow hedges	31	6,576	(2,442)	16,444	81,056
<b>Other comprehensive income(loss) for the period, net of tax</b>		60,885	22,052	166,433	524,798
<b>Total comprehensive income (loss) for the period, net of tax</b>		625,592	1,782,171	39,722	1,363,085

**LG Electronics Inc.**  
**Separate Interim Statements of Changes in Equity**  
**Nine-month Periods Ended September 30, 2023 and 2022**

<i>(in millions of Korean won)</i>	Notes	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Other Components of Equity	Total Equity
<b>Balance at January 1, 2022</b>		3,992,348	4,940,122	(9,396)	(32,819)	8,890,255
<b>Total comprehensive income (loss):</b>						
Profit (Loss) for the period		-	838,287	-	-	838,287
Remeasurements of the net defined benefit liability	13	-	463,765	-	-	463,765
Financial assets at fair value through other comprehensive income	6	-	-	(20,023)	-	(20,023)
Cash flow hedges	31	-	-	81,056	-	81,056
<b>Total comprehensive income (loss)</b>		-	1,302,052	61,033	-	1,363,085
<b>Transactions with owners:</b>						
Dividends	16	-	(153,915)	-	-	(153,915)
<b>Total transactions with owners</b>		-	(153,915)	-	-	(153,915)
<b>Balance at September 30, 2022 (Unaudited)</b>		3,992,348	6,088,259	51,637	(32,819)	10,099,425
<b>Balance at January 1, 2023</b>		3,992,348	5,890,737	38,763	(32,819)	9,889,029
<b>Total comprehensive income (loss):</b>						
Profit (Loss) for the period		-	1,760,119	-	-	1,760,119
Remeasurements of the net defined benefit liability	13	-	23,625	-	-	23,625
Financial assets at fair value through other comprehensive income	6	-	-	869	-	869
Cash flow hedges	31	-	-	(2,442)	-	(2,442)
<b>Total comprehensive income (loss)</b>		-	1,783,744	(1,573)	-	1,782,171
<b>Transactions with owners:</b>						
Dividends	16	-	(126,905)	-	-	(126,905)
<b>Total transactions with owners</b>		-	(126,905)	-	-	(126,905)
<b>Balance at September 30, 2023 (Unaudited)</b>		3,992,348	7,547,576	37,190	(32,819)	11,544,295



**LG Electronics Inc.**  
**Separate Interim Statements of Cash Flows**  
**Nine-month Periods Ended September 30, 2023 and 2022**

<i>(in millions of Korean won)</i>	Notes	Nine-month Period Ended September 30	
		2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	27	268,712	152,954
Interest received		76,014	19,760
Interest paid		(208,423)	(167,896)
Dividend received		1,375,449	435,143
Income tax paid		(197,043)	(198,964)
<b>Net cash inflow (outflow) from operating activities</b>		<b>1,314,709</b>	<b>240,997</b>
<b>Cash flows from investing activities</b>			
Decrease in deposits held by financial institutions		89,901	333
Decrease in other receivables		48,714	56,997
Proceeds from withdrawal and disposal of other financial assets		4,972	29,678
Proceeds from disposal of property, plant and equipment		9,073	332,277
Proceeds from disposal of intangible assets		549	123,546
Proceeds from withdrawal and disposal of investments in subsidiaries, associates and joint ventures		61,852	13,540
Proceeds from disposal of assets held for sale		-	263,441
Transfer of business		-	38,360
Increase in deposits held by financial institutions		(134,095)	-
Increase in other receivables		(1,051,801)	(54,604)
Acquisition of other financial assets		(13,621)	(62,461)
Acquisition of property, plant and equipment		(325,366)	(327,213)
Acquisition of intangible assets		(519,496)	(354,742)
Acquisition of investments in subsidiaries, associates and joint ventures		(108,943)	(90,330)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(1,938,261)</b>	<b>(31,178)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		2,516,342	1,378,836
Repayments of borrowings		(1,015,232)	(1,530,397)
Dividend paid		(126,905)	(153,915)
Repayments of lease liabilities		(55,549)	(61,657)
<b>Net cash inflow (outflow) from financing activities</b>		<b>1,318,656</b>	<b>(367,133)</b>
Effects of exchange rate changes on cash and cash equivalents		3,380	1,453
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>698,484</b>	<b>(155,861)</b>
Cash and cash equivalents at the beginning of the period		1,941,615	2,012,229
<b>Cash and cash equivalents at the end of the period</b>		<b>2,640,099</b>	<b>1,856,368</b>

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements

### September 30, 2023 and 2022 (Unaudited), and December 31, 2022

---

#### 1. General Information

LG Electronics Inc. (the “Company”) was spun off from LG Electronics Investment Ltd. on April 1, 2002. The Company’s shares were listed on the Korea Exchange on April 22, 2002, and some of its preferred shares, in the form of global depositary receipts (“GDRs”), are listed on the London Stock Exchange at the end of the reporting period. The Company is domiciled in Korea at Yeoui-daero, Yeongdeungpo-gu, Seoul.

As of September 30, 2023, LG Corp. owns 33.7% of the Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Company operates following major business segments: Home Appliance & Air Solution segment manufactures and sells refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; Home Entertainment segment manufactures and sells TVs and digital media products; Vehicle components Solutions segment designs and manufactures automobile parts; and Business Solutions segment manufactures and sells monitors, PCs, information displays and others. As of September 30, 2023, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek and Gumi in the Republic of Korea.

#### 2. Material Accounting Policies

##### 2.1 Basis of Preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying separate interim financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The financial statements of the Company are the separate interim financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. The Company’s condensed separate interim financial statements for the nine-month period ended September 30, 2023, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. These condensed separate interim financial statements do not include all of the information presented in the annual separate financial statements. Therefore, these condensed separate interim financial statements should be read in conjunction with the annual separate financial statements as of December 31, 2022.

##### 2.1.1 Changes in Accounting Policies and Disclosures

- (a) New and amended standards and interpretations effective for the financial year beginning January 1, 2023.

- *Korean IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies*

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policies. The amendments do not have a significant impact on the condensed

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

separate interim financial statements.

*- Korean IFRS 1001 Presentation of Financial Statements - Disclosure of gain or loss on valuation of financial liabilities subject to adjustment of exercise price*

If the entire or a part of financial instrument, whose exercise price is subject to change due to the issuer's share price, is classified as a financial liability, the carrying amount of the financial liability and related gains and losses shall be disclosed. The amendments do not have a significant impact on the condensed separate interim financial statements.

*- Korean IFRS 1008 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments do not have a significant impact on the condensed separate interim financial statements.

*- Korean IFRS 1012 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. The amendments do not have a significant impact on the condensed separate interim financial statements.

(b) New, enacted and amended standards issued, but not effective for September 30, 2023, and not early adopted by the Company.

*- Amendments to Korean IFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting period. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months after the reporting period as non-current at the end of the reporting period, the entity shall disclose information in the notes to explain the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments should be applied for annual periods beginning on or after January 1, 2024. The Company does not expect that these amendments have a significant impact on the condensed separate interim financial

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

statements.

**2.2 Income Tax Expense**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income for the period.

**3. Critical Accounting Estimates and Judgements**

The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

**3.1 Critical Accounting Estimates and Assumptions**

The Company makes estimates and assumptions concerning the future. 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 will, by definition, seldom equal the related actual results.

The Russia - Ukraine armed conflict and continuous international sanctions on Russia have a material impact on the global economy. It may have a negative impact; such as, decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Company, and the impact is expected to be continued to the separate annual financial statements in 2023.

Significant accounting estimates and assumptions applied in the preparation of the condensed separate interim financial statements can be adjusted depending on changes in the uncertainty from Russia - Ukraine armed conflict. Also, the ultimate effect of Russia - Ukraine armed conflict to the Company's business, financial position and financial performance cannot presently be determined.

The estimates and assumptions that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities after the end of the reporting period are addressed below.

(a) Revenue Recognition

The Company recognizes revenue over time using the percentage of completion method for the rendering of service such as equipment production and installation. The Company measures the percentage of completion by estimating total cost for the completion of the transaction, and the factors for the estimation of revenue may vary.

(b) Impairment of Goodwill

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

The Company tests goodwill and others regularly for impairment. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal or value-in-use calculations. These calculations require estimates.

(c) Income Taxes

The Company recognizes assets and liabilities for anticipated tax audit issues based on the best estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of the reporting period.

(e) Provisions

The Company recognizes provisions for product warranties and others based on their historical data at the end of the reporting period.

(f) Net Defined Benefit Liabilities

The present value of the defined benefit liability depends on various factors that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for pensions include the discount rate, which is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit liability. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for defined benefit liability are based on current market conditions.

(g) Development Costs

The Company capitalizes development costs when there is a reasonable assurance that projects have technical feasibility and the possibility of generating future economic benefits, and performs periodic impairment test. The recoverable amount of each project has been calculated on a basis of the value-in-use reflecting expected sales quantity and unit price and estimated operating profit.

(h) Leases

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

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

The reassessment of the lease term based on a judgment of whether the extension option is reasonably certain to be exercised (or not exercised) is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

### 4. Financial Instruments by Category

(a) Categorizations of financial instruments as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	2,640,099	-	-	-	2,640,099
Deposits held by financial institutions	140,687	-	-	-	140,687
Trade receivables	5,403,245	226,404	-	455,751	6,085,400
Other receivables	1,709,862	-	-	-	1,709,862
Other financial assets and others	-	66,752	105,291	244,440	416,483
<b>Total</b>	<b>9,893,893</b>	<b>293,156</b>	<b>105,291</b>	<b>700,191</b>	<b>10,992,531</b>

<i>(in millions of Korean won)</i>	September 30, 2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	6,372,603	-	-	6,372,603
Borrowings	9,186,578	-	-	9,186,578
Lease liabilities	-	-	77,026	77,026
Other payables	1,791,635	-	-	1,791,635
Other financial liabilities	-	24,506	28,819	53,325
<b>Total</b>	<b>17,350,816</b>	<b>24,506</b>	<b>105,845</b>	<b>17,481,167</b>

<i>(in millions of Korean won)</i>	December 31, 2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	1,941,615	-	-	-	1,941,615
Deposits held by financial institutions	171,459	-	-	-	171,459
Trade receivables	3,655,793	290,274	-	164,262	4,110,329
Other receivables	658,718	-	-	-	658,718
Other financial assets	-	61,531	95,151	159,150	315,832
<b>Total</b>	<b>6,427,585</b>	<b>351,805</b>	<b>95,151</b>	<b>323,412</b>	<b>7,197,953</b>

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

<i>(in millions of Korean won)</i>	December 31, 2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	5,428,176	-	-	5,428,176
Borrowings	7,546,030	-	-	7,546,030
Lease liabilities	-	-	116,509	116,509
Other payables	2,062,772	-	-	2,062,772
Other financial liabilities	-	24,641	18,298	42,939
<b>Total</b>	<b>15,036,978</b>	<b>24,641</b>	<b>134,807</b>	<b>15,196,426</b>

(b) Net gains or losses on each category of financial instruments for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	80,994	-	-	-	80,994
Exchange differences	328,703	-	-	-	328,703
Bad debt expenses	(3,078)	-	-	-	(3,078)
Gain (Loss) on disposal of trade receivables	-	(523)	-	-	(523)
Dividend income	-	189	969	-	1,158
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(17)	-	(17)
Gain (Loss) for the period from discontinued operations	(52)	-	-	-	(52)
Fair value gain (loss), net of tax (through other comprehensive income)	-	869	-	-	869
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	5,553	5,553
Others	(9,628)	-	-	-	(9,628)

<i>(in millions of Korean won)</i>	2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(257,711)	-	37,268	(220,443)
Exchange differences	(415,641)	-	75,853	(339,788)
Gain (Loss) on derivatives (through profit or loss)	-	(2,350)	-	(2,350)
Gain (Loss) from discontinued operations	11	-	-	11
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(7,995)	(7,995)
Others	(9,549)	-	1,017	(8,532)

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

<i>(in millions of Korean won)</i>	2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	21,793	-	-	-	21,793
Exchange differences	926,380	-	-	-	926,380
Bad debt expenses	(1,988)	-	-	-	(1,988)
Gain (Loss) on disposal of trade receivables	-	(996)	-	-	(996)
Dividend income	-	188	311	-	499
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	11,235	-	11,235
Gain (Loss) from discontinued operations	3,263	-	-	-	3,263
Fair value gain (loss), net of tax (through other comprehensive income)	-	(20,023)	-	-	(20,023)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	93,401	93,401
Others	(265)	-	-	-	(265)

<i>(in millions of Korean won)</i>	2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(138,415)	-	(11,145)	(149,560)
Exchange differences	(1,062,326)	-	177,387	(884,939)
Gain (Loss) on derivatives (through profit or loss)	-	(24,784)	-	(24,784)
Gain (Loss) from discontinued operations	(21,175)	-	(19)	(21,194)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	(12,345)	(12,345)
Others	-	-	(432)	(432)



**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**5. Trade Receivables and Other Receivables**

(a) Trade receivables and other receivables, net of allowance for doubtful accounts, as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023			December 31, 2022		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
Trade receivables	5,711,520	(41,502)	5,670,018	4,007,881	(36,264)	3,971,617
Non-current trade receivables	415,382	-	415,382	138,712	-	138,712
Other receivables						
Current	538,376	(5,477)	532,899	502,754	(7,579)	495,175
Non-current	1,176,977	(14)	1,176,963	163,555	(12)	163,543

(b) Movements in allowance for doubtful accounts for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023			
	At January 1	Addition (Reversal)	Write-off and other	At September 30
Trade receivables	36,264	5,238	-	41,502
Other receivables				
Current	7,579	(2,102)	-	5,477
Non-current	12	2	-	14
2022				
<i>(in millions of Korean won)</i>	At January 1	Addition (Reversal)	Write-off and other	At September 30
Trade receivables	35,656	3,796	-	39,452
Other receivables				
Current	9,308	(1,102)	-	8,206
Non-current	12	-	-	12

(c) The aging analysis of trade receivables and other receivables as of September 30, 2023 and December 31, 2022, is as follows:

<i>(in millions of Korean won)</i>	September 30, 2023				
	Trade receivables	Non-current trade receivables	Other receivables		Total
			Current	Non-current	
<b>Receivables not past due</b>	5,019,367	415,382	473,482	1,171,512	7,079,743
<b>Past due but not impaired</b>					
Up to 6 months	298,194	-	57,393	4,783	360,370
7 to 12 months	29,998	-	354	676	31,028
Over 1 year	290,933	-	1,630	6	292,569
<b>Subtotal</b>	619,125	-	59,377	5,465	683,967
<b>Impaired</b>	73,028	-	5,517	-	78,545
<b>Total</b>	5,711,520	415,382	538,376	1,176,977	7,842,255

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

	December 31, 2022				
	Trade	Non-current	Other receivables		Total
	receivables	trade receivables	Current	Non-current	
<b>Receivables not past due</b>	3,451,748	138,712	489,228	162,480	4,242,168
<b>Past due but not impaired</b>					
Up to 6 months	220,774	-	4,267	1,071	226,112
7 to 12 months	25,030	-	220	3	25,253
Over 1 year	239,510	-	1,432	1	240,943
<b>Subtotal</b>	485,314	-	5,919	1,075	492,308
<b>Impaired</b>	70,819	-	7,607	-	78,426
<b>Total</b>	4,007,881	138,712	502,754	163,555	4,812,902

- (d) Trade receivables have been discounted through collateralized borrowing agreements with banks for the nine-month period ended September 30, 2023. In case the customers default, the Company has an obligation to pay the related amounts to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (Note 11). Discounted trade receivables as of September 30, 2023 amount to ₩54,928 million (December 31, 2022: ₩41,026 million).

**6. Other Financial Assets and Liabilities**

- (a) Details of other financial assets and liabilities as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023	December 31, 2022
<b>Other financial assets</b>		
Derivatives	244,440	159,435
Financial assets at fair value through other comprehensive income	66,752	61,531
Financial assets at fair value through profit or loss	95,589	94,866
<b>Total</b>	406,781	315,832
Current	32,493	840
Non-current	374,288	314,992

<i>(in millions of Korean won)</i>	September 30, 2023	December 31, 2022
<b>Other financial liabilities</b>		
Derivatives	42,342	31,804
Financial guarantee liability	10,983	11,135
<b>Total</b>	53,325	42,939
Current	6,059	6,581
Non-current	47,266	36,358

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(b) Details of derivatives as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
<b>Current</b>				
Currency forward	-	-	285	135
Cross-currency swap	32,364	-	-	-
Interest rate swap	129	-	555	-
<b>Subtotal</b>	<b>32,493</b>	<b>-</b>	<b>840</b>	<b>135</b>
<b>Non-current</b>				
Cross-currency swap	185,372	15,769	129,781	6,357
Interest rate swap	26,575	2,067	28,814	806
Put option	-	24,506	-	24,506
<b>Subtotal</b>	<b>211,947</b>	<b>42,342</b>	<b>158,595</b>	<b>31,669</b>
<b>Total</b>	<b>244,440</b>	<b>42,342</b>	<b>159,435</b>	<b>31,804</b>

The details of major derivative contracts at the end of the reporting period are presented in Note 31.

(c) Changes in carrying amount of financial assets at fair value through other comprehensive income for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023					
	At January 1	Acquisition	Disposals	Transfer	Valuation	At September 30
Listed equity securities	18,271	-	(1,562)	-	339	17,048
Unlisted equity securities	43,260	7,277	(1,667)	-	834	49,704
<b>Total</b>	<b>61,531</b>	<b>7,277</b>	<b>(3,229)</b>	<b>-</b>	<b>1,173</b>	<b>66,752</b>

<i>(in millions of Korean won)</i>	2022					
	At January 1	Acquisition	Disposals	Transfer	Valuation	At September 30
Listed equity securities	48,150	-	-	-	(27,429)	20,721
Unlisted equity securities	28,385	13,275	-	1,600	-	43,260
<b>Total</b>	<b>76,535</b>	<b>13,275</b>	<b>-</b>	<b>1,600</b>	<b>(27,429)</b>	<b>63,981</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(d) Changes in carrying amount of financial assets at fair value through profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>					
	<b>At January 1</b>	<b>Acquisition</b>	<b>Disposals</b>	<b>Transfer</b>	<b>Valuation</b>	<b>At September 30</b>
Unlisted equity securities	70,841	3,115	(875)	(2,000)	(17)	71,064
Debt securities	24,025	500	-	-	-	24,525
<b>Total</b>	<b>94,866</b>	<b>3,615</b>	<b>(875)</b>	<b>(2,000)</b>	<b>(17)</b>	<b>95,589</b>

<i>(in millions of Korean won)</i>	<b>2022</b>					
	<b>At January 1</b>	<b>Acquisition</b>	<b>Disposals</b>	<b>Transfer</b>	<b>Valuation</b>	<b>At September 30</b>
Unlisted equity securities	72,285	10,305	(15,181)	(24,992)	11,235	53,652
Debt securities	-	633	-	23,392	-	24,025
<b>Total</b>	<b>72,285</b>	<b>10,938</b>	<b>(15,181)</b>	<b>(1,600)</b>	<b>11,235</b>	<b>77,677</b>

**7. Inventories**

Inventories as of September 30, 2023 and December 31, 2022, consist of:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>			<b>December 31, 2022</b>		
	<b>Cost</b>	<b>Valuation allowance</b>	<b>Carrying amount</b>	<b>Cost</b>	<b>Valuation allowance</b>	<b>Carrying amount</b>
Finished products and merchandise	771,558	(25,625)	745,933	804,526	(34,844)	769,682
Work-in-process	69,307	(1,699)	67,608	46,453	(893)	45,560
Raw materials and supplies	583,003	(45,635)	537,368	654,016	(56,763)	597,253
Other	168,193	(57,867)	110,326	176,381	(65,549)	110,832
<b>Total</b>	<b>1,592,061</b>	<b>(130,826)</b>	<b>1,461,235</b>	<b>1,681,376</b>	<b>(158,049)</b>	<b>1,523,327</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**8. Contract Assets and Contract Liabilities**

(a) Contract assets as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Due from customers	641,985	419,764
(Less: allowance for doubtful accounts)	(4)	(4)
Right to recover returned products	1,050	987
Costs to fulfill contracts and others	185,399	88,449
<b>Total</b>	<b>828,430</b>	<b>509,196</b>
Current	653,918	430,444
Non-current	174,512	78,752

(b) Contract liabilities as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Expected promotional incentives for customers	75,659	68,205
Expected returns from customers	36,053	14,614
Customer loyalty program	58,120	56,474
Rendering of warranty services	15,176	20,909
Due to customers and others	438,060	342,161
<b>Total</b>	<b>623,068</b>	<b>502,363</b>
Current	616,715	497,668
Non-current	6,353	4,695

(c) Revenue recognized in relation to contract liabilities for the nine-month periods ended September 30, 2023 and 2022, is as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	295,621	302,161
Customer loyalty program	38,989	35,224
Rendering of warranty services	6,148	4,396
<b>Total</b>	<b>340,758</b>	<b>341,781</b>
Revenue recognized from performance obligations satisfied in previous periods	2,949	1,531

(d) Unsatisfied long-term contracts

At the end of the reporting period, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations was ₩905,602 million (December 31, 2022: ₩1,356,919 million) which were expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Company excluded performance obligation which was a part of contract that had an original expected duration of one year or less.

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

- (e) For the nine-month period ended September 30, 2023, the Company recognized an impairment loss amounting to ₩1 million (September 30, 2022: nil) in relation to due from customers, and amortization and other costs of ₩78,026 million (September 30, 2022: ₩25,639 million) in relation to costs to fulfill contracts.

#### 9. Property, Plant and Equipment, and Intangible Assets

- (a) Changes in property, plant and equipment for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	6,007,599	6,424,785
Acquisitions	333,660	429,033
Reclassification to assets held for sale	-	(44,167)
Transfer	(58)	(3,357)
Disposals and others	(11,068)	(303,688)
Depreciation	(486,781)	(507,541)
Impairment losses <sup>1</sup>	(15,824)	(91,414)
<b>At September 30</b>	<b>5,827,528</b>	<b>5,903,651</b>

<sup>1</sup> For the nine-month period ended September 30, 2022, impairment loss on property, plant and equipment from discontinued operations of energy business amounting to ₩75,629 million is included.

- (b) Line items including depreciation in the separate interim statements of profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Continuing operations</b>		
Cost of sales	363,631	377,907
Selling and marketing expenses	28,338	29,342
Administrative expenses	46,312	38,743
Research and development expenses	28,445	32,976
Service costs	14,645	14,040
Other non-operating expenses	5,401	1,101
<b>Subtotal</b>	<b>486,772</b>	<b>494,109</b>
<b>Discontinued operations</b>	<b>9</b>	<b>13,432</b>
<b>Total</b>	<b>486,781</b>	<b>507,541</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(c) Changes in right-of-use assets included in property, plant and equipment for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	115,297	121,844
Acquisitions	24,903	43,903
Transfer	-	(3,357)
Disposals and others	(5,825)	(2,014)
Depreciation	(58,232)	(63,238)
<b>At September 30</b>	<b>76,143</b>	<b>97,138</b>

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the nine-month period ended September 30, 2023, was ₩4,504 million (September 30, 2022: ₩6,044 million).

(d) Changes in intangible assets for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	1,715,271	1,758,718
Acquisitions	294,550	243,102
Acquisitions by internal development	256,010	110,805
Reclassification to assets held for sale	-	(33)
Transfer	(111)	(127,962)
Disposals and others	(35,733)	(43,640)
Amortization	(322,554)	(304,037)
Impairment losses	(1,591)	(25,360)
<b>At September 30</b>	<b>1,905,842</b>	<b>1,611,593</b>

(e) Line items including amortization of intangible assets in the separate interim statements of profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Continuing operations</b>		
Cost of sales	245,778	232,769
Selling and marketing expenses	8,040	7,022
Administrative expenses	25,939	20,803
Research and development expenses	40,330	40,437
Service costs	2,425	1,854
Other non-operating expenses	7	2
<b>Subtotal</b>	<b>322,519</b>	<b>302,887</b>
<b>Discontinued operations</b>	<b>35</b>	<b>1,150</b>
<b>Total</b>	<b>322,554</b>	<b>304,037</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**10. Investments in Subsidiaries, Associates and Joint Ventures**

(a) Investments in subsidiaries, associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership at September 30, 2023 (%)	Carrying amount	
				September 30, 2023	December 31, 2022
<b>Subsidiaries</b>					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd. <sup>5</sup>	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
ZKW Holding GmbH	Austria	December	70.0	349,482	349,482
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	India	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co.,Ltd.(LGENV)	China	December	100.0	180,349	180,349
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
Cybellum Technologies Ltd.	Israel	December	69.2	133,162	133,162
PT LGE Indonesia Research and Development Center(LGERC) <sup>1</sup>	Indonesia	December	100.0	121,467	63,237
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	China	December	90.0	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	Vietnam	December	100.0	84,784	84,784
LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Mexico	December	100.0	68,721	68,721
LG Electronics (Shenyang) Inc(LGESY)	China	December	56.3	62,033	62,033
LG Electronics (Thailand) Company Limited(LGETH)	Thailand	December	100.0	55,578	55,578
LG Electronics Fund I LLC <sup>1,3</sup>	USA	December	100.0	54,191	56,264
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Australia	December	100.0	50,664	50,664
LG Electronics Ticaret A.S.(LGETK)	Türkiye	December	100.0	47,320	47,320
LG Electronics RUS, LLC(LGERA)	Russia	December	100.0	43,645	43,645
LG Electronics (Huizhou) Inc.(LGEHZ) <sup>6</sup>	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology co.,LTD(LGENT) <sup>6</sup>	China	December	45.0	38,744	38,744
LG Electronics Panama, S.A.(LGEPS)	Panama	December	100.0	36,492	36,492
ZKW Austria Immobilien Holding GmbH	Austria	December	70.0	35,640	35,640
HIEVCHARGER CO., LTD. <sup>1,7</sup>	Korea	December	60.0	35,040	27,840



**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership at September 30, 2023 (%)	Carrying amount	
				September 30, 2023	December 31, 2022
LG Electronics S.A. (Pty) Ltd.(LGESA)	Republic of South Africa	December	100.0	30,175	30,175
Nanjing LG Panda Appliances Co., Ltd(LGEPN) <sup>6</sup>	China	December	50.0	26,614	26,614
LG Electronics Peru S.A.(LGEPR)	Peru	December	100.0	25,043	25,043
LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	China	December	100.0	20,615	20,615
LG Soft India Private Limited.(LGSi)	India	March	100.0	20,105	20,105
LG Electronics Fund II LLC <sup>1</sup>	USA	December	100.0	13,534	9,669
NOVA Prime Fund I, LP <sup>1</sup>	USA	December	100.0	11,305	2,802
LG Electronics Development Vietnam Company Limited (LGEDV) <sup>2</sup>	Vietnam	December	100.0	1,868	-
Others				167,058	167,058
<b>Associates</b>					
LG Display Co., Ltd.	Korea	December	37.9	3,480,623	3,480,623
Robostar Co., Ltd.	Korea	December	33.4	88,112	88,112
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	52,124	52,124
Ericsson-LG Co., Ltd.	Korea	December	25.0	38,834	38,834
Mirae Asset-LG Electronics New Growth Fund I	Korea	December	50.0	28,023	28,023
Rinse, INC.	USA	December	23.3	18,184	18,184
ROBOTIS Co., Ltd. <sup>4</sup>	Korea	December	7.5	9,000	9,000
SideChef Group Limited <sup>2,4</sup>	Hong Kong	December	15.4	7,702	-
TheWaveTalk Co., Ltd. <sup>4</sup>	Korea	December	3.7	2,000	-
Acryl Inc. <sup>4</sup>	Korea	December	13.6	2,000	2,000
AiM Future, Inc. <sup>4</sup>	Korea	December	11.7	800	800
<b>Joint ventures</b>					
LG-LHT Aircraft Solutions GmbH <sup>1</sup>	Germany	December	49.0	43,148	34,343
LG-LHT Passenger Solutions GmbH <sup>1</sup>	Germany	December	49.0	43,014	32,817
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	Türkiye	December	50.0	27,711	27,711
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	7,881	7,881
FITNESSCANDY Co., Ltd. <sup>1</sup>	Korea	December	51.0	5,610	4,233
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD. <sup>1</sup>	China	December	35.0	1,855	1,535
<b>Total</b>				<b>9,112,769</b>	<b>9,004,775</b>

<sup>1</sup> It was additionally acquired during the nine-month period ended September 30, 2023.

<sup>2</sup> It was newly acquired during the nine-month period ended September 30, 2023.

<sup>3</sup> It was recovered a portion of the investment funds during the nine-month period ended September 30, 2023.

<sup>4</sup> Classified as an associate although the percentage of ownership is less than 20% because the Company can exercise a significant influence in the Board of Directors of the investee.

<sup>5</sup> Although the Company owns less than half of the percentage of ownership of LG Innotek Co., Ltd., the Company is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

the other shareholders and their voting patterns at previous shareholders' meetings.

<sup>6</sup> Although the Company owns less than half of the percentage of ownership of the investees, the investees are classified as subsidiaries because the Company can exercise control over the investees considering the shares held by the subsidiary.

<sup>7</sup> The entity changed its name from APPELMANGO CO., LTD. to HIEVCHARGER CO., LTD. for the nine-month period ended September 30, 2023.

(b) Changes in investments in subsidiaries, associates and joint ventures for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	9,004,775	8,914,917
Acquisitions	108,943	90,330
Transfer	2,000	-
Disposal and others <sup>1</sup>	(2,949)	(13,259)
<b>At September 30</b>	<b>9,112,769</b>	<b>8,991,988</b>

<sup>1</sup> It includes the amount retrieved by the capital reduction with consideration on the Mirae Asset-LG Electronics New Growth Fund I, which is associates of the Company, during the nine-month period ended September 30, 2022.

(c) Details of marketable investments in subsidiaries and associates as of September 30, 2023 and December 31, 2022, are as follows:

<b>September 30, 2023</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	13,110	1,778,044	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	244,500	2,360,203	541,538
Robostar Co., Ltd.	Associate	3,256,500	31,000	100,952	88,112
ROBOTIS Co., Ltd.	Associate	961,550	26,400	25,385	9,000

  

<b>December 31, 2022</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	12,450	1,688,531	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	252,500	2,437,428	541,538
Robostar Co., Ltd.	Associate	3,256,500	18,650	60,734	88,112
ROBOTIS Co., Ltd.	Associate	961,550	22,500	21,635	9,000

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**11. Borrowings**

(a) Carrying amounts of borrowings as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Current</b>		
Short-term borrowings	794,568	311,266
Current portion of long-term borrowings	257,697	187,715
Current portion of debentures	737,297	574,927
<b>Subtotal</b>	<b>1,789,562</b>	<b>1,073,908</b>
<b>Non-current</b>		
Long-term borrowings	2,988,007	2,591,454
Debentures	4,409,009	3,880,668
<b>Subtotal</b>	<b>7,397,016</b>	<b>6,472,122</b>
<b>Total</b>	<b>9,186,578</b>	<b>7,546,030</b>

(b) Details of borrowings as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>Latest maturity date</b>	<b>Annual interest rate at September 30, 2023(%)</b>	<b>Carrying amount</b>	
			<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Short-term borrowings in foreign currency</b>				
LG Electronics U.S.A., Inc. and others <sup>1</sup>	-	4.15 ~ 17.20	794,568	311,266
<b>Long-term borrowings in local currency</b>				
The Export-Import Bank of Korea and others	2035. 1. 9	2.49 ~ 4.97	2,137,250	1,825,893
<b>Long-term borrowings in foreign currency</b>				
The Export-Import Bank of Korea and others	2031. 7. 28	0.67 ~ 7.13	1,108,454	953,276
<b>Local currency debentures</b>				
Public, non-guaranteed bonds	2036. 5. 4	1.62 ~ 4.44	2,820,000	3,090,000
Private, non-guaranteed bonds	2041. 2. 9	2.66 ~ 5.15	1,730,000	980,000
<b>Foreign currency debentures</b>				
Private, non-guaranteed bonds	2029. 3. 5	4.74 ~ 7.14	608,170	258,765
Private, guaranteed bonds	2023. 2. 24	3M EURIBOR+0.75	-	135,120
Less: discount on debentures			(11,864)	(8,290)
<b>Total</b>			<b>9,186,578</b>	<b>7,546,030</b>

<sup>1</sup> The above short-term borrowings in foreign currency include the short-term borrowings collateralized by trade receivables amounting to ₩54,928 million (December 31, 2022: ₩41,026 million) as of September 30, 2023.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

The Company entered into interest rate swap and cross-currency swap contracts to hedge cash flow risks related to floating interest rates and foreign exchange rates of certain portion of borrowings (Note 31).

**12. Lease Liabilities**

(a) Details of lease liabilities as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Lease liabilities</b>		
Current	35,150	65,979
Non-current	41,876	50,530
<b>Total</b>	<b>77,026</b>	<b>116,509</b>

(b) The amounts, relating to leases, recognized in the separate interim statements of profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Continuing operations</b>		
Interest expense relating on lease liabilities	2,950	2,649
Short-term lease payments (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	21,294	19,049
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	11,763	11,201
<b>Subtotal</b>	<b>36,007</b>	<b>32,899</b>
<b>Discontinued operations</b>	<b>11</b>	<b>1,099</b>
<b>Total</b>	<b>36,018</b>	<b>33,998</b>

Depreciation of right-of-use assets is stated in 'Note 9'.

(c) Total expenses for leases including short-term leases and leases of low-value assets for the nine-month period ended September 30, 2023, are ₩91,026 million (September 30, 2022: ₩95,435 million).

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

**13. Post-employment Benefits**

**13.1 Defined Benefit Plan**

(a) The amounts of net defined benefit liabilities (assets) as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Present value of funded obligations	3,040,183	2,937,364
Fair value of plan assets	(3,497,165)	(3,454,693)
<b>Net defined benefit liabilities (assets)</b>	<b>(456,982)</b>	<b>(517,329)</b>

(b) The amounts recognized in the separate interim statements of profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Current service cost	205,990	233,007
Net interest cost	(20,564)	2,151
Operating management cost	1,858	1,659
<b>Total</b>	<b>187,284</b>	<b>236,817</b>

(c) Line items in which expenses are included for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>Continuing operations</b>		
Cost of sales	87,729	110,453
Selling and marketing expenses	26,079	31,596
Administrative expenses	17,729	19,874
Research and development expenses	36,826	46,385
Service costs	17,090	19,890
Other non-operating expenses	1,826	-
<b>Subtotal</b>	<b>187,279</b>	<b>228,198</b>
<b>Discontinued operations</b>	<b>5</b>	<b>8,619</b>
<b>Total</b>	<b>187,284</b>	<b>236,817</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(d) Movements in the present value of defined benefit obligations for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	2,937,364	3,268,721
Current service cost	205,990	233,007
Interest expense	113,808	68,805
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	(30,672)	(657,766)
Benefits paid	(186,307)	(338,237)
<b>At September 30</b>	<b>3,040,183</b>	<b>2,574,530</b>

(e) Movements in the fair value of plan assets for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	3,454,693	3,168,810
Interest income	134,372	66,654
Remeasurements of plan assets	877	(22,469)
Employer contributions	100,000	-
Benefits paid	(190,919)	(330,832)
Operating management cost	(1,858)	(1,659)
<b>At September 30</b>	<b>3,497,165</b>	<b>2,880,504</b>

(f) The significant actuarial assumptions used as of September 30, 2023 and December 31, 2022, are as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Discount rate	5.4%	5.3%
Expected salary growth rate	6.0%	6.0%

(g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as of September 30, 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>1%p increase</b>	<b>1%p decrease</b>
Discount rate	(253,050)	290,312
Expected salary growth rate	304,101	(268,433)

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 principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

**13.2 Defined Contribution Plan**

The expense recognized for the nine-month period ended September 30, 2023 in relation to the defined contribution plan was ₩8,064 million (September 30, 2022: ₩7,109 million).

**14. Provisions**

Changes in provisions for the nine-month periods ended September 30, 2023 and 2022, are as follows:

	<b>2023</b>			
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	1,079,839	9,360	57,771	1,146,970
Additions <sup>1</sup>	503,090	112	88,944	592,146
Utilizations	(987,772)	(711)	(5,930)	(994,413)
<b>At September 30</b>	<b>595,157</b>	<b>8,761</b>	<b>140,785</b>	<b>744,703</b>
Current	547,645	6,494	6,451	560,590
Non-current	47,512	2,267	134,334	184,113

  

	<b>2022</b>			
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	2,279,025	10,460	62,899	2,352,384
Additions <sup>1</sup>	367,102	427	21,665	389,194
Utilizations	(1,480,764)	(1,364)	(22,181)	(1,504,309)
<b>At September 30</b>	<b>1,165,363</b>	<b>9,523</b>	<b>62,383</b>	<b>1,237,269</b>
Current	1,108,199	8,046	17,531	1,133,776
Non-current	57,164	1,477	44,852	103,493

<sup>1</sup> Net amount of additional provisions equals to additional provisions less reversed amounts.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**15. Paid-in Capital**

(a) At the end of the reporting period, the number of shares authorized is 600 million.

	Par value per share	September 30, 2023		December 31, 2022	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Ordinary shares	5,000	163,647,814	818,239	163,647,814	818,239
Preferred shares	5,000	17,185,992	85,930	17,185,992	85,930
<b>Total</b>		<b>180,833,806</b>	<b>904,169</b>	<b>180,833,806</b>	<b>904,169</b>

The preferred shareholders have no voting rights and are entitled to preferred dividends at a rate of one percentage point over that of ordinary shares. This preferred dividend rate is not applicable to stock dividends. In addition, the preferred shareholders have same rights on the remaining assets as ordinary shareholders. Repayment and conversion are not applicable to preferred shares.

(b) Share premium balance as of September 30, 2023, is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying amount of net assets acquired from the entity spin-off back on April 1, 2002, less the Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion options in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

**16. Retained Earnings**

Retained earnings as of September 30, 2023 and December 31, 2022, consist of:

<i>(in millions of Korean won)</i>	September 30, 2023	December 31, 2022
Legal reserve <sup>1</sup>	259,302	246,609
Discretionary reserve	5,504,430	4,539,499
Unappropriated retained earnings <sup>2</sup>	1,783,844	1,104,629
<b>Total</b>	<b>7,547,576</b>	<b>5,890,737</b>

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit.

<sup>2</sup> Dividend for the year ended December 31, 2022 of ₩126,905 million was approved at the annual general meeting held on March 27, 2023, and paid in April 2023 (2022 payments: ₩153,915 million).



## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

---

#### 17. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) as of September 30, 2023 and December 31, 2022, consists of:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Cash flow hedge	46,369	48,811
Financial assets at fair value through other comprehensive income (loss)	(9,179)	(10,048)
<b>Total</b>	<b>37,190</b>	<b>38,763</b>

#### 18. Other Components of Equity

Other components of equity as of September 30, 2023 and December 31, 2022, consist of:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Treasury shares <sup>1</sup>	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
<b>Total</b>	<b>(32,819)</b>	<b>(32,819)</b>

<sup>1</sup> The Company has treasury shares consisting of 763,176 ordinary shares (December 31, 2022: 763,176 shares) and 4,693 preferred shares (December 31, 2022: 4,693 shares) at the end of the reporting period. The Company intends to either grant these treasury shares to employees and directors as compensation or to sell them in the future.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**19. Net Sales**

(a) Details of net sales for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Revenue from contracts with customers:				
Sales of goods	6,743,335	20,343,690	6,333,393	19,518,792
Rendering of services and others	418,054	1,086,978	352,984	1,981,622
<b>Subtotal</b>	<b>7,161,389</b>	<b>21,430,668</b>	<b>6,686,377</b>	<b>21,500,414</b>
Revenue from other sources:				
Rental income and others	251,362	684,548	185,255	562,464
<b>Subtotal</b>	<b>7,412,751</b>	<b>22,115,216</b>	<b>6,871,632</b>	<b>22,062,878</b>
<b>Discontinued operations</b>	<b>31</b>	<b>413</b>	<b>21,770</b>	<b>150,620</b>
<b>Total</b>	<b>7,412,782</b>	<b>22,115,629</b>	<b>6,893,402</b>	<b>22,213,498</b>

(b) Details of revenue from contracts with customers for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023	2022
By type of products:		
Refrigerator/ washing machine/ air conditioner and others	12,136,852	11,553,102
TV/AV and others	2,623,652	2,963,681
In-vehicle infotainment and others	3,082,124	2,644,932
Monitor/PC and others	1,976,416	2,091,697
Others <sup>1</sup>	1,611,624	2,247,002
Domestic/Export:		
Domestic	7,871,221	7,940,779
Export	13,559,447	13,559,635
Timing of transfer:		
Transferred at a point in time	18,786,892	19,212,548
Transferred over time	2,643,776	2,287,866
<b>Total</b>	<b>21,430,668</b>	<b>21,500,414</b>

<sup>1</sup> Others include equipment production, inter-segment transactions and others.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(c) Changes in the estimates of total contract revenue and total contract costs

Due to the factors causing the changes in the costs of other segments during the nine-month period ended September 30, 2023, the estimated total contract revenue and costs for contracts in progress have changed. Details of changes in estimated total contract revenue and costs and the impact on profit or loss for the nine-month period ended September 30, 2023 and the succeeding periods are as follows:

<i>(in millions of Korean won)</i>	Changes in estimated total contract revenue	Changes in estimated total contract cost	Impact on profit or loss for the period ended September 30, 2023	Impact on profit or loss for the succeeding periods
Other segments	66,261	73,367	(8,303)	1,197

**20. Expenses by Nature**

Expenses that are recorded by nature for the three-month and nine-month periods ended September 30, 2023 and 2022, consist of:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Changes in finished goods and work-in-process	(69,909)	(15,025)	18,288	7,489
Raw materials and merchandise used	4,023,053	11,753,765	3,795,992	11,057,379
Employee benefit expense	1,156,249	3,476,399	1,085,204	3,693,852
Depreciation and amortization	259,280	807,202	263,033	795,893
Advertising expense	217,892	528,573	179,076	464,646
Promotion expense	36,074	109,183	33,293	107,239
Freight expense	186,301	621,025	374,444	1,195,128
Commission expense	622,788	1,765,857	552,283	1,586,887
Other expenses	596,597	2,071,526	800,450	2,337,150
<b>Subtotal<sup>1</sup></b>	<b>7,028,325</b>	<b>21,118,505</b>	<b>7,102,063</b>	<b>21,245,663</b>
<b>Discontinued operations</b>	<b>143</b>	<b>(130)</b>	<b>57,513</b>	<b>357,954</b>
<b>Total</b>	<b>7,028,468</b>	<b>21,118,375</b>	<b>7,159,576</b>	<b>21,603,617</b>

<sup>1</sup> Cost of sales, selling and marketing expenses, administrative expenses, research and development expenses and service costs are included.

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

#### 21. General Operating Expenses (Selling and Marketing Expenses, Administrative Expenses, Research and Development Expenses, and Service Costs)

Details of general operating expenses for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Salaries	433,823	1,274,350	403,718	1,214,118
Post-employment benefits	51,671	160,983	42,010	245,928
Employee welfare benefits	85,736	244,322	74,487	263,738
Freight expense	182,964	612,053	369,254	1,179,165
Rental expense	8,524	25,533	6,349	22,459
Commission expense	475,724	1,348,627	419,703	1,195,785
Depreciation	41,031	121,059	38,733	115,101
Amortization	26,415	76,734	23,887	70,116
Advertising expense	217,892	528,573	179,076	464,646
Promotional expense	36,074	109,183	33,293	107,239
R&D expense	85,175	214,391	84,711	194,405
Direct service costs	33,368	242,562	159,785	239,657
Bad debts expense	2,499	5,186	1,469	3,127
Others	63,963	209,296	70,381	202,364
<b>Subtotal</b>	<b>1,744,859</b>	<b>5,172,852</b>	<b>1,906,856</b>	<b>5,517,848</b>
<b>Discontinued operations</b>	<b>105</b>	<b>851</b>	<b>17,120</b>	<b>145,075</b>
<b>Total</b>	<b>1,744,964</b>	<b>5,173,703</b>	<b>1,923,976</b>	<b>5,662,923</b>

#### 22. Financial Income

Financial income for the three-month and nine-month periods ended September 30, 2023 and 2022, consists of:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Interest income	36,378	80,994	10,078	21,793
Exchange differences	123,704	441,345	131,750	311,904
Others	2,284	3,190	986	1,917
<b>Subtotal</b>	<b>162,366</b>	<b>525,529</b>	<b>142,814</b>	<b>335,614</b>
<b>Discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,921</b>
<b>Total</b>	<b>162,366</b>	<b>525,529</b>	<b>142,814</b>	<b>337,535</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**23. Financial Expenses**

Financial expenses for the three-month and nine-month periods ended September 30, 2023 and 2022, consist of:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Interest expense	78,699	220,443	55,366	149,560
Exchange differences	101,245	414,281	69,156	209,360
Loss on disposal of trade receivables	152	523	377	996
Others	7,669	21,350	1,385	2,614
<b>Subtotal</b>	<b>187,765</b>	<b>656,597</b>	<b>126,284</b>	<b>362,530</b>
<b>Discontinued operations</b>	-	-	-	15,208
<b>Total</b>	<b>187,765</b>	<b>656,597</b>	<b>126,284</b>	<b>377,738</b>

**24. Other Non-operating Income**

Other non-operating income for the three-month and nine-month periods ended September 30, 2023 and 2022, consists of:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Dividend income	404,927	1,382,057	15,940	406,064
Exchange differences	225,535	791,181	513,919	1,087,496
Gain on valuation of derivatives	722	1,093	663	14,504
Gain on disposal of property, plant and equipment	2,064	4,363	1,348	5,393
Gain on disposal of intangible assets	338	338	120	17,141
Gain on disposal of assets held for sale	-	-	-	182,423
Gain on disposal of investments in subsidiaries, associates and joint ventures	-	-	281	281
Gain on valuation of financial assets at fair value through profit or loss	-	-	11,485	11,485
Others	3,508	20,657	1,914	1,933
<b>Subtotal</b>	<b>637,094</b>	<b>2,199,689</b>	<b>545,670</b>	<b>1,726,720</b>
<b>Discontinued operations</b>	<b>24</b>	<b>105</b>	<b>80,263</b>	<b>94,736</b>
<b>Total</b>	<b>637,118</b>	<b>2,199,794</b>	<b>625,933</b>	<b>1,821,456</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

**25. Other Non-operating Expenses**

Other non-operating expenses for the three-month and nine-month periods ended September 30, 2023 and 2022, consist of:

<i>(in millions of Korean won)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Continuing operations</b>				
Exchange differences	254,305	815,281	548,800	1,112,076
Loss on valuation of derivatives	-	3,443	4,150	39,288
Loss on disposal of property, plant and equipment	32	944	3,158	5,199
Impairment loss on property, plant and equipment	4,768	14,843	2,812	14,960
Loss on disposal of intangible assets	12,699	35,502	4,903	15,907
Impairment loss on intangible assets	429	1,591	2,161	25,360
Loss on disposal of assets held for sale	-	-	-	106
Loss on valuation of financial assets at fair value through profit or loss	-	17	-	250
Others	52,007	94,973	10,945	23,651
<b>Subtotal</b>	<b>324,240</b>	<b>966,594</b>	<b>576,929</b>	<b>1,236,797</b>
<b>Discontinued operations</b>	<b>89</b>	<b>121</b>	<b>915</b>	<b>98,918</b>
<b>Total</b>	<b>324,329</b>	<b>966,715</b>	<b>577,844</b>	<b>1,335,715</b>

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

#### 26. Earnings (Losses) per Share

The Company has no potential dilutive ordinary shares. Accordingly, basic earnings (losses) per share is identical to diluted earnings (losses) per share.

(a) Basic earnings (losses) per ordinary share for the three-month and nine-month periods ended September 30, 2023 and 2022, is as follows:

	2023		2022	
	Three months	Nine months	Three months	Nine months
Profit (loss) attributable to ordinary shares <i>(in millions of Korean won)</i>	510,630	1,591,591	(114,816)	757,717
Continuing operations	510,749	1,591,235	(143,611)	906,164
Discontinued operations	(119)	356	28,795	(148,447)
Weighted average number of ordinary shares outstanding <i>(unit: shares)</i>	162,884,638	162,884,638	162,884,638	162,884,638
Basic earnings (losses) per ordinary share <i>(in Korean won)</i>	3,135	9,771	(705)	4,652
Continuing operations	3,136	9,769	(882)	5,563
Discontinued operations	(1)	2	177	(911)

(b) Basic earnings (losses) per preferred share for the three-month and nine-month periods ended September 30, 2023 and 2022, is as follows

	2023		2022	
	Three months	Nine months	Three months	Nine months
Profit (loss) attributable to preferred shares <i>(in millions of Korean won)</i>	54,077	168,528	(11,895)	80,570
Continuing operations	54,089	168,490	(14,933)	96,228
Discontinued operations	(12)	38	3,038	(15,658)
Weighted average number of preferred shares outstanding <i>(unit: shares)</i>	17,181,299	17,181,299	17,181,299	17,181,299
Basic earnings (losses) per preferred share <i>(in Korean won)</i>	3,148	9,809	(692)	4,690
Continuing operations	3,149	9,807	(869)	5,601
Discontinued operations	(1)	2	177	(911)

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**27. Cash Flow Information**

Cash flows from operating activities are presented using the indirect method. Details of cash generated from (used in) operations for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(a) Cash generated from (used in) operations

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Profit (Loss) for the period	1,760,119	838,287
Adjustments:		
Interest expense, net	139,449	127,767
Exchange differences, net	76,630	35,783
Depreciation	486,772	494,108
Amortization	322,519	302,887
Loss (Gain) on disposal of property, plant and equipment and intangible assets, net	31,745	(1,428)
Provisions for severance benefits	195,343	235,307
Additional provisions, net	591,954	321,553
Dividend income	(1,382,057)	(406,064)
Income tax expense	339,013	277,830
Loss (Gain) on disposal of investments in subsidiaries, associates and joint ventures, net	-	(281)
Others	37,831	(95,087)
Discontinued operations	(484)	46,093
	<u>838,715</u>	<u>1,338,468</u>
Changes in operating assets and liabilities		
Decrease (Increase) in trade receivables	(1,929,428)	(578,511)
Decrease (Increase) in other receivables	(156,091)	573,562
Decrease (Increase) in inventories	23,887	(86,568)
Decrease (Increase) in contract assets	(301,067)	(89,876)
Decrease (Increase) in other assets	127,520	(107,879)
Increase (Decrease) in trade payables	861,192	231,458
Increase (Decrease) in other payables	(269,711)	(334,591)
Increase (Decrease) in provisions	(994,413)	(1,504,309)
Increase (Decrease) in contract liabilities	120,704	74,133
Increase (Decrease) in other liabilities	290,737	(186,705)
Payment of defined benefit liability	(10,900)	(14,515)
Deposit in plan assets, net	(92,552)	-
	<u>(2,330,122)</u>	<u>(2,023,801)</u>
<b>Cash generated from (used in) operations</b>	<u>268,712</u>	<u>152,954</u>



## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

#### (b) Changes in liabilities from financing activities

<i>(in millions of Korean won)</i>	2023					
	At January 1	Net cash flows from financing activities	Effects of other changes			At September 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	3,090,435	844,231	-	105,606	-	4,040,272
Debentures	4,455,595	656,879	-	32,091	1,741	5,146,306
Lease liabilities	116,509	(55,549)	15,408	117	541	77,026
<b>Total</b>	<b>7,662,539</b>	<b>1,445,561</b>	<b>15,408</b>	<b>137,814</b>	<b>2,282</b>	<b>9,263,604</b>

<i>(in millions of Korean won)</i>	2022					
	At January 1	Net cash flows from financing activities	Effects of other changes			At September 30
			Additions	Exchange differences (profit/loss)	Amortization and others	
Borrowings	2,579,101	353,959	-	150,978	-	3,084,038
Debentures	5,044,160	(505,520)	-	66,986	1,756	4,607,382
Lease liabilities	119,620	(61,657)	39,701	337	220	98,221
<b>Total</b>	<b>7,742,881</b>	<b>(213,218)</b>	<b>39,701</b>	<b>218,301</b>	<b>1,976</b>	<b>7,789,641</b>

#### (c) Significant non-cash transactions

<i>(in millions of Korean won)</i>	2023	2022
Reclassification of construction-in-progress to property, plant and equipment	92,123	82,730
Reclassification of construction-in-progress to intangible assets	169,727	210,610
Reclassification of current portion of borrowings	957,587	672,655
Other payables to acquire property, plant and equipment	37,474	42,684
Other payables to acquire intangible assets	10,887	15,934
Acquisition of right-of-use assets	24,903	43,852

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

---

(d) Assets and liabilities arising from the transfer of business

- Transfer of in-vehicle wireless charging business

i) On October 4, 2022, in-vehicle wireless charging business was transferred to BH EVS CO., LTD.

ii) Total consideration received and the assets and liabilities of the transferred business are as follows:

<i>(in millions of Korean won)</i>	<b>Amount</b>
Total consideration:	
Cash and cash equivalents	116,696
Deposits held by financial institutions	20,000
Other payables	(18,745)
Other liabilities	(10,000)
Subtotal	107,951
Assets of the transferred business:	
Property, plant and equipment	57
Intangible assets	12,207
Contract assets	1,677
Subtotal	13,941

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

**28. Contingencies**

(a) At the end of the reporting period, the Company is provided with performance guarantees of ₩347,311 million (December 31, 2022: ₩321,191 million) from Seoul Guarantee Insurance and others relating to the performance guarantees. The Company was also provided with guarantee of principal amounting to EUR 100 million and interests from Shinhan Bank for the guaranteed private placement bonds, and it has been terminated as of September 30, 2023.

(b) At the end of the reporting period, the financial guarantees provided by the Company to related parties amount to ₩4,069,699 million (December 31, 2022: ₩3,885,483 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	<b>Beneficiaries</b>	<b>September 30, 2023 <sup>1</sup></b>	<b>December 31, 2022 <sup>1</sup></b>
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	876,467	899,851
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	638,780	601,968
LG Electronics do Brasil Ltda.(LGEBR)	Chubb and others	456,314	515,655
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	310,439	297,145
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Scotiabank and others	290,436	252,479
ZKW Group GmbH	The Export-Import Bank of Korea	284,344	270,240
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	210,348	197,674
LG Electronics Mlawa Sp. z.O.O.(LGEMA), LG Electronics Polska Sp. Z.O.O.(LGEPL), LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Citibank and others	175,962	165,718
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	106,134	104,600
LG Electronics Morocco S.A.R.L.(LGEMC)	Citibank and others	100,801	93,262
LG Electronics Algeria SARL(LGEAS)	Citibank and others	94,501	89,026
LG Electronics Colombia Limitada(LGECB)	Citibank and others	82,418	64,935
LG Electronics Vehicle Components Europe GmbH(LGEVG)	SMBC and others	78,195	-
LG Electronics Almaty Kazakhstan Limited Liability Partnership(LGEAK)	Citibank and others	53,792	50,692
LG Electronics Saudi Arabia LLC(LGESJ)	JPM and others	53,774	-
LG Electronics (M) Sdn. Bhd(LGEML)	Citibank	40,401	38,076
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	ING	35,543	33,780
LG Electronics Egypt S.A.E(LGEEG)	Credit Agricole and others	32,835	38,648
LG Electronics Ticaret A.S.(LGETK)	Citibank and others	31,814	32,118
LG Electronics Italia S.P.A.(LGEIS)	Intesa	28,434	27,024
PT.LGE Indonesia Research and Development Center (LGERC)	Citibank and others	25,551	-
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	25,158	26,692
Others	Citibank and others	37,258	85,900
<b>Total</b>		<b>4,069,699</b>	<b>3,885,483</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

<sup>1</sup> This is the amount for which a payment guarantee is provided, and in some cases, an agreement is made to pay including incidental expenses incurred in the performance of guarantee obligations.

- (c) At the end of the reporting period, the Company is providing Hana Bank with a subrogation payment obligation for customers up to ₩46,000 million (December 31, 2022: ₩46,000 million).
- (d) The Company has a joint guarantee obligation for the debt amount as of July 1, 2021, the date of split-off of LG Magna e-Powertrain Co. ,Ltd., a newly established company.
- (e) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Company cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Company's financial position.

**29. Commitments**

(a) At the end of the reporting period, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩860,496 million (December 31, 2022: ₩849,259 million).

(b) At the end of the reporting period, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩2,794,604 million (December 31, 2022: ₩2,777,572 million).

(c) At the end of the reporting period, the Company has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,160,000 million (December 31, 2022: ₩1,160,000 million) in connection with the payment of trade payables.

(d) Contractual commitments for the acquisition of assets

Assets contracted for, but not yet acquired at the end of the reporting period, are as follows:

<i>(in millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Property, plant and equipment	248,952	248,722
Intangible assets	39,651	27,255
Investments in subsidiaries, associates and joint ventures	80,684	108,816
<b>Total</b>	<b>369,287</b>	<b>384,793</b>

The Company agreed to tender offers based on fair value at a certain time in relation to the shares of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Company recognized this commitment as 'other financial liabilities' (Note 6).

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

(e) Operating lease commitments – the Company as a lessor

- i) The Company has non-cancellable operating lease agreements regarding home appliance rental business and real estate rental business. The future aggregate lease receipts under operating leases at the end of the reporting period, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023					
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Over 4 years	Total lease payments
Home appliance rental	242,406	121,201	47,221	6,905	-	417,733
Real estate rental	4,524	4,524	4,524	4,516	1,212	19,300
<b>Total</b>	<b>246,930</b>	<b>125,725</b>	<b>51,745</b>	<b>11,421</b>	<b>1,212</b>	<b>437,033</b>

- ii) The Company recognized ₩362,689 million (September 30, 2022: ₩446,002 million) in lease income for the nine-month period ended September 30, 2023.

(f) Financial lease commitments – the Company as a lessor

- i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023		December 31, 2022	
	Gross investment in the lease <sup>1</sup>	Net investment in the lease	Gross investment in the lease <sup>1</sup>	Net investment in the lease
Within one year	97,708	69,952	34,637	25,550
Between 1 and 2 years	100,145	77,239	35,114	27,598
Between 2 and 3 years	96,356	78,553	34,604	28,766
Between 3 and 4 years	99,820	87,453	33,999	29,881
Later than 4 years	150,826	142,554	55,174	52,466
<b>Total</b>	<b>544,855</b>	<b>455,751</b>	<b>193,528</b>	<b>164,261</b>

<sup>1</sup> There are no remaining useful life without guarantee reflected on gross investment in the lease.

- ii) Unrealized interest income of financial lease as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023	December 31, 2022
Gross investment in the lease	544,855	193,528
Net investment in the lease	455,751	164,261
<b>Unrealized interest income</b>	<b>89,104</b>	<b>29,267</b>

- iii) For the nine-month period ended September 30, 2023, the Company recognized income amounting to ₩311,697 million (September 30, 2022: ₩102,866 million) in relation to financial lease contract, and financial income net investment in the lease amounting to ₩13,764 million (September 30, 2022: ₩2,917 million) is included.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(g) License agreements including patent and trademark

At the end of the reporting period, the Company has various agreements as follows:

<u>Purpose</u>	<u>Related products</u>	<u>Provided by</u>	<u>Used by</u>
Use of license	All products	Qualcomm Incorporated and others	LG Electronics Inc.
Provision for license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.

**30. Related Party**

(a) Major transactions for the nine-month periods ended September 30, 2023 and 2022, and balances of receivables and payables from transaction with related parties as of September 30, 2023 and December 31, 2022, are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

<u>Classification</u>	<u>Name</u>	<u>2023</u>					
		<u>Income transactions</u>			<u>Expense transactions</u>		
		<u>Sales</u>	<u>Others</u>	<u>Total</u>	<u>Purchases</u>	<u>Others<sup>4</sup></u>	<u>Total</u>
Significantly influencing the Company	LG Corp.	2,616	-	2,616	-	98,005	98,005
Subsidiaries	LG Innotek Co., Ltd.	244,204	9,577	253,781	62,809	841	63,650
	Hiplaza Co., Ltd.	1,245,383	10,179	1,255,562	15,126	14,349	29,475
	LG Electronics U.S.A., Inc.	4,145,595	15,391	4,160,986	7,187	75,133	82,320
	LG Electronics Vietnam Hai Phong Co., Ltd	1,662,107	224	1,662,331	105,203	17,213	122,416
	LG Electronics Mlawa Sp. z.O.O.	666,176	79	666,255	2,349	5,455	7,804
	LG Electronics Canada, Inc.	456,501	14	456,515	1	12,391	12,392
	LG Electronics European Shared Service Center B.V.	320,326	1,612	321,938	3,605	26,974	30,579
	LG Electronics Nanjing New Technology co.,LTD	299,529	327	299,856	501,602	559	502,161
	LG Electronis Reynosa, S.A. De C.V.	199,323	66	199,389	957	2,096	3,053
	LG Electronics Vehicle Components Europe GmbH	137,511	11,162	148,673	97,639	75,245	172,884
	LG ELECTRONICS INDIA PRIVATE LIMITED	233,655	33,689	267,344	5,219	3,415	8,634
	LG ELECTRONICS AUSTRALIA PTY LIMITED	159,406	57	159,463	159	3,415	3,574
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	156,670	-	156,670	7,012	2,365	9,377
	LG Electronics do Brasil Ltda.	145,396	124	145,520	1,450	2,304	3,754
	P.T. LG Electronics Indonesia	172,267	2,672	174,939	374,360	691	375,051
	LG Electronics Vehicle Components U.S.A., LLC.	181,759	11,438	193,197	4,674	48,338	53,012

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		2023					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>4</sup>	Total
	LG Electronics Mexico S.A. DE C.V.	291,922	262	292,184	-	2,325	2,325
	LG Electronics RUS, LLC	51,206	1,334	52,540	305	2,969	3,274
	LG Electronics (Tianjin) Appliances Co., Ltd.	121,369	91	121,460	451,244	565	451,809
	LG Electronics U.K. Ltd	130,673	50	130,723	5,482	11,651	17,133
	Taizhou LG Electronics Refrigeration Co., Ltd.	67,203	3,105	70,308	256,022	476	256,498
	LG Electronics Almaty Kazakhstan	87,120	174	87,294	-	480	480
	LG Electronics Colombia Ltda.	31,457	79	31,536	-	464	464
	Hi-Caresolution Corp	34,652	-	34,652	197,237	38,732	235,969
	Others	2,443,036	91,685	2,534,721	273,463	522,808	796,271
	<b>Subtotal</b>	<b>13,684,446</b>	<b>193,391</b>	<b>13,877,837</b>	<b>2,373,105</b>	<b>871,254</b>	<b>3,244,359</b>
Associates	LG Display Co., Ltd. and its subsidiaries	309,143	91,417	400,560	165,823	3,115	168,938
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	181	-	181	38,055	180	38,235
	Robostar Co., Ltd. and its subsidiaries	7	-	7	14,051	1,075	15,126
	ROBOTIS Co., Ltd.	-	-	-	-	15	15
	Acryl Inc.	-	-	-	-	1,640	1,640
	SideChef Group Limited	-	-	-	-	1,193	1,193
	<b>Subtotal</b>	<b>309,331</b>	<b>91,417</b>	<b>400,748</b>	<b>217,929</b>	<b>7,218</b>	<b>225,147</b>
Joint ventures	LG-LHT Passenger Solution GmbH	495	-	495	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	87,632	2,412	90,044	73,952	339,206	413,158
	D&O Corp. and its subsidiaries	22	-	22	-	11,135	11,135
	LG Management Development Institute	33	-	33	141	47,589	47,730
	LG SPORTS Ltd.	5	16	21	-	12,503	12,503
	LG-MRI LLC	15,853	-	15,853	-	-	-
	<b>Subtotal</b>	<b>103,545</b>	<b>2,428</b>	<b>105,973</b>	<b>74,093</b>	<b>410,433</b>	<b>484,526</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	785,879	34,576	820,455	213,470	17	213,487
	LG Uplus Corp and its subsidiaries	17,974	1,846	19,820	4,728	1,890	6,618
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	625	1,686	2,311	-	37	37
	HS Ad Inc. and its subsidiaries <sup>3</sup>	104	-	104	54	188,784	188,838
	XI C&A Co., Ltd. and its subsidiaries	15,118	-	15,118	-	15,191	15,191
	S&I Corp. and its subsidiaries	2,252	-	2,252	447	72,230	72,677
	<b>Subtotal</b>	<b>821,952</b>	<b>38,108</b>	<b>860,060</b>	<b>218,699</b>	<b>278,149</b>	<b>496,848</b>
	<b>Total</b>	<b>14,922,385</b>	<b>325,344</b>	<b>15,247,729</b>	<b>2,883,826</b>	<b>1,665,059</b>	<b>4,548,885</b>

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		2022					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others <sup>4</sup>	Total
Significantly influencing the Company	LG Corp.	386	-	386	-	103,066	103,066
Subsidiaries	LG Innotek Co., Ltd.	176,991	12,557	189,548	83,041	866	83,907
	Hiplaza Co., Ltd.	1,425,944	11,133	1,437,077	6,842	12,245	19,087
	LG Electronics U.S.A., Inc.	4,342,798	10,950	4,353,748	4,571	57,462	62,033
	LG Electronics Vietnam Hai Phong Co., Ltd	1,170,822	712	1,171,534	134,364	47,373	181,737
	LG Electronics Mlawa Sp. z.O.O.	574,797	2,818	577,615	2,097	1,515	3,612
	LG Electronics Canada, Inc.	608,016	21	608,037	-	10,321	10,321
	LG Electronics European Shared Service Center B.V.	364,629	1,417	366,046	272	23,677	23,949
	LG Electronics Nanjing New Technology co.,LTD	299,566	-	299,566	531,221	1,261	532,482
	LG Electronis Reynosa, S.A. De C.V.	286,194	603	286,797	1,633	43	1,676
	LG Electronics Vehicle Components Europe GmbH	137,799	79,900	217,699	3,412	61,989	65,401
	LG ELECTRONICS INDIA PRIVATE LIMITED	237,059	18,419	255,478	530	3,892	4,422
	LG ELECTRONICS AUSTRALIA PTY LIMITED	219,264	10	219,274	-	3,319	3,319
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	202,963	-	202,963	5,397	593	5,990
	LG Electronics do Brasil Ltda.	179,876	1,309	181,185	528	2,163	2,691
	P.T. LG Electronics Indonesia	200,752	529	201,281	442,641	173	442,814
	LG Electronics Vehicle Components U.S.A., LLC.	133,074	2,180	135,254	1,341	23,033	24,374
	LG Electronics Mexico S.A. DE C.V.	121,218	36	121,254	-	1,308	1,308
	LG Electronics RUS, LLC	93,938	1,707	95,645	-	4,798	4,798
	LG Electronics (Tianjin) Appliances Co., Ltd.	91,349	183	91,532	367,389	1	367,390
	LG Electronics U.K. Ltd	95,246	20	95,266	10,747	12,724	23,471
	Taizhou LG Electronics Refrigeration Co., Ltd.	70,373	7,029	77,402	187,871	1	187,872
	LG Electronics Almaty Kazakhstan	71,016	24	71,040	-	185	185
	LG Electronics Colombia Ltda.	43,709	33	43,742	-	713	713
	Hi-Caresolution Corp	42,486	175	42,661	198,328	29,123	227,451
	Others	2,195,973	68,081	2,264,054	189,660	465,561	655,221
	<b>Subtotal</b>	<b>13,385,852</b>	<b>219,846</b>	<b>13,605,698</b>	<b>2,171,885</b>	<b>764,339</b>	<b>2,936,224</b>
Associates	LG Display Co., Ltd. and its subsidiaries	533,771	51,104	584,875	167,674	984	168,658
	Hitachi-LG Data Storage Inc.(HLDS) and its	306	-	306	33,550	14,081	47,631



**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		2022					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others <sup>4</sup>	Total
	subsidiaries						
	Robostar Co., Ltd. and its subsidiaries	55	-	55	14,091	565	14,656
	ROBOTIS Co., Ltd.	-	-	-	-	2	2
	Acryl Inc.	-	-	-	-	1,123	1,123
	<b>Subtotal</b>	<b>534,132</b>	<b>51,104</b>	<b>585,236</b>	<b>215,315</b>	<b>16,755</b>	<b>232,070</b>
Other related parties	LG CNS Co., Ltd. And its subsidiaries	102,508	536	103,044	92,772	282,934	375,706
	D&O Corp. and its subsidiaries	745	186	931	1,470	25,717	27,187
	LG Management Development Institute	24	-	24	45	37,844	37,889
	LG SPORTS Ltd.	4	21	25	280	9,704	9,984
	<b>Subtotal</b>	<b>103,281</b>	<b>743</b>	<b>104,024</b>	<b>94,567</b>	<b>356,199</b>	<b>450,766</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	345,824	2,352	348,176	237,237	77	237,314
	LX INTERNATIONAL CORP and its subsidiaries <sup>2</sup>	4,993	1,179	6,172	165,921	975,005	1,140,926
	LG Uplus Corp and its subsidiaries	2,349	9	2,358	2,552	275	2,827
	LX HAUSYS,LTD., its subsidiaries and associates <sup>2</sup>	2,077	77	2,154	1,670	385	2,055
	LX Semicon Co., Ltd. <sup>2</sup>	1,410	2,012	3,422	6,490	19	6,509
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	1,924	1	1,925	16	26	42
	GIIR Inc. and its subsidiaries <sup>3</sup>	1,193	-	1,193	4	148,500	148,504
	LX MMA Corporation <sup>2</sup>	5	-	5	-	-	-
	XI C&A Co., Ltd.	2,857	20	2,877	-	29,799	29,799
	S&I Corp.	2,052	-	2,052	255	38,259	38,514
	<b>Subtotal</b>	<b>364,684</b>	<b>5,650</b>	<b>370,334</b>	<b>414,145</b>	<b>1,192,345</b>	<b>1,606,490</b>
	<b>Total</b>	<b>14,388,335</b>	<b>277,343</b>	<b>14,665,678</b>	<b>2,895,912</b>	<b>2,432,704</b>	<b>5,328,616</b>

<sup>1</sup> Although the entities are not the related parties of the Company in accordance with Korean IFRS 1024, the entities belong to the Large Enterprise Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

<sup>2</sup> LX Holdings Corp. and its affiliates are separated from the corporate group in accordance with independent management on June 21, 2022.

<sup>3</sup> 'GIIR Inc.' merged with its subsidiaries 'HS Ad Inc.' and 'LBEST Inc.' and changed its name to 'HS Ad Inc.' on July 1, 2023.

<sup>4</sup> Others include acquisition amount of right-of-use assets and interest expense of lease liabilities.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

ii) The balances of receivables from and payables to related parties

(in millions of Korean won)

		September 30, 2023							
		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>3</sup>	Total
Significantly influencing the Company	LG Corp.	729	-	26,769	27,498	-	-	10,516	10,516
Subsidiaries	LG Innotek Co., Ltd.	91,498	-	47,278	138,776	24,087	-	14,872	38,959
	Hiplaza Co., Ltd.	176,809	-	31,048	207,857	-	-	335	335
	LG Electronics U.S.A., Inc.	425,645	-	-	425,645	-	739,640	19,086	758,726
	LG Electronics Vietnam Hai Phong Co., Ltd	436,974	-	13	436,987	771,834	-	2,122	773,956
	LG Electronics Mlawa Sp. z.O.O.	130,970	-	3	130,973	679,449	-	1,090	680,539
	LG Electronics Canada, Inc.	67,517	-	-	67,517	-	-	1,425	1,425
	LG Electronics European Shared Service Center B.V.	25,297	-	-	25,297	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	99,008	-	124	99,132	416,708	-	144	416,852
	LG Electronis Reynosa, S.A. De C.V.	26,832	-	-	26,832	206,177	-	97	206,274
	LG Electronics Vehicle Components Europe GmbH	579,482	-	89,257	668,739	-	-	19,176	19,176
	LG ELECTRONICS INDIA PRIVATE LIMITED	71,757	-	194	71,951	1,894	-	615	2,509
	LG ELECTRONICS AUSTRALIA PTY LIMITED	21,999	-	-	21,999	-	-	481	481
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	52,960	-	15,116	68,076	32,929	-	1,321	34,250
	LG Electronics do Brasil Ltda.	49,319	-	12	49,331	887	-	373	1,260
	P.T. LG Electronics Indonesia	18,027	-	549	18,576	569,358	-	5	569,363
	LG Electronics Vehicle Components U.S.A., LLC.	218,997	-	690	219,687	-	-	6,226	6,226
	LG Electronics Mexico S.A. DE C.V.	314,918	-	-	314,918	-	-	344	344
	LG Electronics RUS, LLC	61,649	-	94,156	155,805	-	-	307	307
	LG Electronics (Tianjin) Appliances Co., Ltd.	31,181	-	91	31,272	228,778	-	78	228,856
	LG Electronics U.K. Ltd	78,517	-	12	78,529	-	-	1,603	1,603
	Taizhou LG Electronics Refrigeration Co., Ltd.	23,272	-	1,265	24,537	258,261	-	55	258,316

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		September 30, 2023							
		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>3</sup>	Total
	LG Electronics Almaty Kazakhstan	54,848	-	121	54,969	-	-	67	67
	LG Electronics Colombia Ltda.	57,980	-	39	58,019	-	-	34	34
	Hi-Caresolution Corp	7,675	-	-	7,675	-	-	27,306	27,306
	Others	1,142,447	-	110,522	1,252,969	841,907	-	150,206	992,113
	<b>Subtotal</b>	4,265,578	-	390,490	4,656,068	4,032,269	739,640	247,368	5,019,277
Associates	LG Display Co., Ltd. and its subsidiaries	126,918	1,000,000	72,919	1,199,837	48,458	-	55,219	103,677
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	3	3	35,230	-	-	35,230
	Robostar Co., Ltd. and its subsidiaries	-	-	-	-	9	-	9,939	9,948
	<b>Subtotal</b>	126,918	1,000,000	72,922	1,199,840	83,697	-	65,158	148,855
Other related parties	LG CNS Co., Ltd. and its subsidiaries	29,507	-	240	29,747	3,828	-	133,677	137,505
	D&O Corp. and its subsidiaries	1	-	-	1	-	-	4,643	4,643
	LG Management Development Institute	5	-	-	5	-	-	1,293	1,293
	LG SPORTS Ltd.	-	-	-	-	-	-	706	706
	LG-MRI LLC	3,995	-	-	3,995	-	-	-	-
	<b>Subtotal</b>	33,508	-	240	33,748	3,828	-	140,319	144,147
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	223,589	-	297,666	521,255	95,665	-	52,718	148,383
	LG Uplus Corp and its subsidiaries	2	-	232	234	634	-	725	1,359
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	61	-	193	254	-	-	77	77
	HS Ad Inc. and its subsidiaries <sup>2</sup>	29	-	-	29	-	-	172,726	172,726
	XI C&A Co., Ltd. and its subsidiaries	7,653	-	1,701	9,354	-	-	13,923	13,923
	S&I Corp. and its subsidiaries	153	-	433	586	10	-	16,488	16,498
	<b>Subtotal</b>	231,487	-	300,225	531,712	96,309	-	256,657	352,966
	<b>Total</b>	4,658,220	1,000,000	790,646	6,448,866	4,216,103	739,640	720,018	5,675,761

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		December 31, 2022							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>3</sup>	Total
Significantly influencing the Company	LG Corp.	40	-	25,679	25,719	-	-	36,103	36,103
Subsidiaries	LG Innotek Co., Ltd.	68,885	-	2,594	71,479	19,173	-	40,323	59,496
	Hiplaza Co., Ltd.	161,725	-	31,486	193,211	-	-	738	738
	LG Electronics U.S.A., Inc.	186,946	-	391	187,337	-	-	21,403	21,403
	LG Electronics Vietnam Hai Phong Co., Ltd	242,321	-	46	242,367	441,896	-	5,224	447,120
	LG Electronics Mlawa Sp. z.O.O.	122,867	-	2,029	124,896	963,473	-	85	963,558
	LG Electronics Canada, Inc.	19,915	-	-	19,915	-	-	3,295	3,295
	LG Electronics European Shared Service Center B.V.	52,543	-	-	52,543	-	270,240	1,293	271,533
	LG Electronics Nanjing New Technology co.,LTD	59,015	-	1	59,016	251,558	-	267	251,825
	LG Electronis Reynosa, S.A. De C.V.	25,549	-	593	26,142	280,239	-	345	280,584
	LG Electronics Vehicle Components Europe GmbH	450,231	-	50,246	500,477	-	-	14,859	14,859
	LG ELECTRONICS INDIA PRIVATE LIMITED	49,088	-	465	49,553	2,067	-	54	2,121
	LG ELECTRONICS AUSTRALIA PTY LIMITED	37,919	-	-	37,919	-	-	324	324
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	81,831	-	8,622	90,453	12,436	-	788	13,224
	LG Electronics do Brasil Ltda.	55,802	-	45,810	101,612	166	-	175	341
	P.T. LG Electronics Indonesia	18,299	-	42	18,341	600,451	-	313	600,764
	LG Electronics Vehicle Components U.S.A., LLC.	181,025	-	4,005	185,030	-	-	7,370	7,370
	LG Electronics Mexico S.A. DE C.V.	114,261	-	122	114,383	-	-	167	167
	LG Electronics RUS, LLC	56,453	-	96,728	153,181	-	-	2,774	2,774
	LG Electronics (Tianjin) Appliances Co., Ltd.	19,268	-	52	19,320	192,577	-	235	192,812
	LG Electronics U.K. Ltd	49,217	-	3,515	52,732	-	-	693	693
	Taizhou LG Electronics Refrigeration Co., Ltd.	15,562	-	1,108	16,670	235,284	-	47	235,331

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

		December 31, 2022							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>3</sup>	Total
	LG Electronics Almaty Kazakhstan	102,409	-	1	102,410	-	-	11	11
	LG Electronics Colombia Ltda.	56,730	-	66	56,796	-	-	38	38
	Hi-Caresolution Corp	7,065	-	-	7,065	-	-	27,358	27,358
	Others	805,761	-	46,167	851,928	806,423	-	165,147	971,570
	<b>Subtotal</b>	<b>3,040,687</b>	<b>-</b>	<b>294,089</b>	<b>3,334,776</b>	<b>3,805,743</b>	<b>270,240</b>	<b>293,326</b>	<b>4,369,309</b>
Associates	LG Display Co., Ltd. and its subsidiaries	90,972	-	86,788	177,760	59,550	-	58,078	117,628
	Hitachi-LG Data Storage Inc. and its subsidiaries	-	-	-	-	48,640	-	2,551	51,191
	Robostar Co., Ltd. and its subsidiaries	81	-	-	81	1,968	-	14,411	16,379
	<b>Subtotal</b>	<b>91,053</b>	<b>-</b>	<b>86,788</b>	<b>177,841</b>	<b>110,158</b>	<b>-</b>	<b>75,040</b>	<b>185,198</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	29,344	-	275	29,619	4,128	-	215,754	219,882
	D&O Corp. and its subsidiaries	98	-	-	98	-	-	4,879	4,879
	LG Management Development Institute	4	-	-	4	-	-	1,086	1,086
	LG SPORTS Ltd.	-	-	-	-	-	-	1,146	1,146
	<b>Subtotal</b>	<b>29,446</b>	<b>-</b>	<b>275</b>	<b>29,721</b>	<b>4,128</b>	<b>-</b>	<b>222,865</b>	<b>226,993</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	142,886	-	178,691	321,577	97,771	-	105,846	203,617
	LG Uplus Corp and its subsidiaries	173	-	260	433	89	-	266	355
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	483	-	71	554	-	-	226	226
	GIR Inc. and its subsidiaries <sup>2</sup>	29	-	-	29	-	-	166,136	166,136
	XI C&A Co., Ltd.	7,719	-	-	7,719	-	-	33,396	33,396
	S&I Corp. and its subsidiaries	1,575	-	-	1,575	-	-	16,118	16,118
	<b>Subtotal</b>	<b>152,865</b>	<b>-</b>	<b>179,022</b>	<b>331,887</b>	<b>97,860</b>	<b>-</b>	<b>321,988</b>	<b>419,848</b>
	<b>Total</b>	<b>3,314,091</b>	<b>-</b>	<b>585,853</b>	<b>3,899,944</b>	<b>4,017,889</b>	<b>270,240</b>	<b>949,322</b>	<b>5,237,451</b>

<sup>1</sup> Although the entities are not the related parties of the Company in accordance with Korean IFRS 1024, the entities belong to the Large Enterprise Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

<sup>2</sup> 'GIR Inc. merged with its subsidiaries 'HS Ad Inc.' and 'LBEST Inc.' and changed its name to 'HS Ad Inc.' on July 1, 2023.

<sup>3</sup> Other payables include lease liabilities.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

iii) Significant capital transactions and others with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(in millions of Korean won)

Classification	Name	2023						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>1</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	38,566	-	-	-	-	20,736
Subsidiaries	LG Innotek Co., Ltd.	40,061	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	(2,073)	-	-	-	-
	LG Electronics Fund II LLC	-	-	3,865	-	-	-	-
	NOVA Prime Fund I, LP	-	-	8,503	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	3,636
	PT.LGE Indonesia Research and Development Center	-	-	58,230	-	-	-	-
	LG Electronics U.S.A., Inc.	-	-	-	-	-	706,790	-
	LG Electronics European Shared Service Center B.V.	-	-	-	-	-	-	266,948
	NanJing LG-Panda Appliances Co., Ltd.	18,868	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	227,920	-	-	-	-	-	-
	LG Electronics Huizhou Ltd.	5,381	-	-	-	-	-	-
	LG Electronics Middle East Co., Ltd.	12,996	-	-	-	-	-	-
	LG Electronics Singapore PTE LTD.	25,359	-	-	-	-	-	-
	LG Soft India Private Limited.	13,014	-	-	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	26,982	-	-	-	-	-	-
	LG Electronics (Tianjin) Appliances Co., Ltd.	39,379	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	30,174	-	-	-	-	-	-
	LG Electronics Mlawa Sp. z.O.O.	181,228	-	-	-	-	-	-
	P.T. LG Electronics Indonesia	175,776	-	-	-	-	-	-
	LG Electronics Vietnam Hai Phong Co., Ltd	39,047	-	-	-	-	-	-
	LG Electronics Canada, Inc.	66,378	-	-	-	-	-	-
	LG ELECTRONICS INDIA PRIVATE LIMITED	378,551	-	-	-	-	-	-
	Taizhou LG Electronics Refrigeration Co., Ltd.	44,172	-	-	-	-	-	-
	LG Electronics do Brasil Ltda.	44,376	-	-	-	-	-	-

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

Classification	Name	2023						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>1</sup>	
					Loans	Collections	Borrowings	Repayments
	HIEVCHARGER CO., LTD.	-	-	7,200	-	-	-	-
	<b>Subtotal</b>	1,369,662	-	75,725	-	-	706,790	270,584
Associates	LG Display Co., Ltd. <sup>2</sup>	-	-	-	1,000,000	-	-	-
	Ericsson-LG Co., Ltd.	11,250	-	-	-	-	-	-
	<b>Subtotal</b>	11,250	-	-	1,000,000	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	8,805	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	10,197	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	320	-	-	-	-
	FITNESSCANDY Co., Ltd.	-	-	1,377	-	-	-	-
	<b>Subtotal</b>	-	-	20,699	-	-	-	-
Other related parties	LG CNS Co., Ltd.	-	-	-	-	-	-	121
	D&O Corp.	-	-	-	-	-	409	830
	<b>Subtotal</b>	-	-	-	-	-	409	951
<b>Total</b>		1,380,912	38,566	96,424	1,000,000	-	707,199	292,271

(in millions of Korean won)

Classification	Name	2022						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>1</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Company	LG Corp.	-	46,830	-	-	-	-	20,760
Subsidiaries	LG Innotek Co., Ltd.	28,960	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	1,202	-	-	-	-
	LG Electronics Fund II LLC	-	-	7,975	-	-	-	-
	LG Electronics RUS, LLC	156,663	-	-	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	4,320
	LG Electronics Nanjing New Technology co., LTD	24,252	-	-	-	-	-	-
	NanJing LG-Panda Appliances Co., Ltd.	18,574	-	-	-	-	-	-
	LG Electronics Thailand Co., Ltd.	34,104	-	-	-	-	-	-
	LG Electronics Huizhou Ltd.	5,650	-	-	-	-	-	-
	LG ELECTRONICS AUSTRALIA PTY LIMITED	26,757	-	-	-	-	-	-
	LG Electronics European	-	-	-	-	-	266,948	266,948

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

(in millions of Korean won)

Classification	Name	Dividend income	Dividend paid	Cash distribution (reduction)	2022		Financing borrowing transactions <sup>1</sup>	
					Loans	Collections	Borrowings	Repayments
	Shared Service Center B.V.							
	LG Electronics Japan, Inc.	13,578	-	-	-	-	-	-
	LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER	-	-	27,802	-	-	-	-
	<b>Subtotal</b>	<b>308,538</b>	<b>-</b>	<b>36,979</b>	<b>-</b>	<b>-</b>	<b>266,948</b>	<b>271,268</b>
Associates	LG Display Co., Ltd.	88,156	-	-	-	-	-	-
	Ericsson-LG Co., Ltd.	8,250	-	-	-	-	-	-
	Rinse, INC	-	-	11,154	-	-	-	-
	Mirae Asset-LG Electronics New Growth Fund I	2,362	-	18,023	-	-	-	-
	<b>Subtotal</b>	<b>98,768</b>	<b>-</b>	<b>29,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	9,496	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	9,496	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	341	-	-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>19,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other related parties	LG CNS Co., Ltd.	-	-	-	-	-	204	53
	D&O Corp.	-	-	-	-	-	3,219	163
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,423</b>	<b>216</b>
<b>Total</b>		<b>407,306</b>	<b>46,830</b>	<b>85,489</b>	<b>-</b>	<b>-</b>	<b>270,371</b>	<b>292,244</b>

<sup>1</sup> Financing borrowing transactions include borrowing and repayment of principal elements of lease liabilities.

<sup>2</sup> At the end of the reporting period, the Company has entered into a loan agreement with LG Display Co., Ltd. for ₩1,000,000 million, and in relation to this loan, the Company has been provided with collateral. At the end of the reporting period, ₩1,000,000 million has been executed and recorded as long-term loans.

(b) The compensation paid or payable to key management personnel for the nine-month periods ended September 30, 2023 and 2022, consists of:

(in millions of Korean won)	2023	2022
Salaries and other short-term benefits	9,833	10,259
Post-employment benefits	1,568	1,160
Other long-term benefits	2	2
<b>Total</b>	<b>11,403</b>	<b>11,421</b>

Key management refers to the directors who have significant control and responsibilities on



**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

the Company's business plans, operations and control.

- (c) The payment guarantees for the financial support of related parties at the end of the reporting period are presented in Note 28.
- (d) There is no collateral provided by the Company for the financial support of related parties at the end of the reporting period.
- (e) The Company has not recognized any bad debt expense or allowance for receivables from related parties at the end of the reporting period.

### **31. Risk Management**

#### **31.1 Financial Risk Management**

The Company's financial risk management ("FRM") policy supports each business division to achieve excellent performance solidly and continuously against market risk, credit risk and liquidity risk. In addition, FRM helps the Company to enhance cost competitiveness through cost-efficient financing cost by improving financial structure and effective cash management.

While cooperating with other divisions, Finance Division in the Company mainly implements FRM. This involves setting-up risk management policies and recognizing, evaluating and hedging risks from a global point of view.

The Company mitigates the adverse effects from financial risk by monitoring the risk periodically and updating FRM policy each year.

The carrying amount and profit or loss of each category of financial instruments, and the details of borrowings related to the financial risk management are presented in Note 4 and Note 11, respectively.

#### **(a) Market risk**

##### **i) Foreign exchange risk**

Due to its multinational business operations, the Company is mainly exposed to foreign exchange risk on the U.S. Dollar and Euro.

The purpose of foreign exchange risk management is to provide the foundation of a stable business operation by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations.

The Company's foreign exchange risk management is implemented under its own foreign exchange policy through which the Company can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities. And the Company continuously considers efficient foreign exchange risk hedges against its remaining exposure with derivative financial instruments and

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited in principle.

As of September 30, 2023 and December 31, 2022, if the functional currency fluctuate for monetary assets and liabilities denominated in major foreign currencies other than the functional currency by 10% against the U.S. Dollar and Euro while other variables were fixed, the effects on profit (loss) before tax would be as follows:

<i>(in millions of Korean won)</i>	September 30, 2023		December 31, 2022	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	28,000	(28,000)	2,095	(2,095)
EUR/KRW	19,307	(19,307)	(18,368)	18,368

#### ii) Interest rate risk

The Company is exposed to interest rate risk through changes in interest-bearing liabilities or assets. The risk mainly arises from borrowings and deposits held by financial institutions with variable interest rates linked to market interest rate changes in the future. The objective of interest rate risk management lies in improving corporate value by minimizing uncertainty caused by fluctuations in interest rates and minimizing net interest expense.

The Company minimizes its borrowings from others and optimizes its deposits. The Company periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	2023		2022	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	19,800	(19,800)	13,922	(13,922)
Interest expenses	2,934	(2,934)	2,906	(2,906)

#### iii) Details of derivative contracts are as follows:

##### *Derivatives for hedging purposes*

The Company entered into the cross-currency swap and interest rate swap contracts to hedge cash flow risks related to the floating interest rates and foreign exchange rates.

Details of hedging instruments are as follows:

	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Book amount <i>(in millions of Korean won)</i>	
							Assets	Liabilities
Cross-currency	KEB Hana Bank and	USD 1,194	1,067.9 ~ 1,319.3	1.88 ~ 4.56	2017. 10. 23 ~ 2023. 9. 5	2024. 4. 19 ~ 2031. 7. 28	192,637	4,414

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

	Contractor	Contracted amount (in millions)	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Book amount (in millions of Korean won)	
							Assets	Liabilities
swap	others							
	Citi Bank	EUR 95	1,312	3.84	2022. 7. 15	2028. 1. 14	5,241	-
	Citi Bank	JPY 11,000	10.0	4.06	2023. 4. 4	2029. 4. 4	-	11,355
	DBS	SGD 140	859.3	1.21	2020. 7. 9	2024. 1. 9	19,858	-
Interest rate swap	Woori Bank and others	KRW 1,086,821	-	2.75 ~ 4.53	2014. 1. 3 ~ 2023. 2. 14	2024. 1. 3 ~ 2032. 11. 16	26,704	2,067

Interest rates received for the above swap contracts are equal to annual interest rates of borrowings (Note 11).

Details of hedged items are as follows:

(in millions of Korean won)	Hedged items	Book amount	Changes in fair value (net of tax)
Cross-currency swap	Borrowings	1,975,032	(81,660)
Interest rate swap	Borrowings	1,017,250	(2,411)

The results of hedge accounting are as follows:

(in millions of Korean won)	Changes in fair value of derivatives (net of tax)	Line items in profit or loss	Reclassified to profit or loss (net of tax)	Other comprehensive income (net of tax)	Accumulated other comprehensive income
Cross-currency swap	81,660	Interest expense and exchange differences	(80,192)	1,468	29,133
Interest rate swap	2,411	Interest expense	(6,321)	(3,910)	17,235

### Trading purposes

#### Currency forward contracts

The Company entered into the currency forward contracts to manage the risk against possible future changes in foreign exchange rates. The Company's currency forward contracts as of September 30, 2023, and related profit or loss for the nine-month period ended September 30, 2023, are as follows:

(in millions of Korean won)	Purchase	Sale	Gain (Loss) on valuation	Gain (Loss) on transaction
Currency forward	-	-	-	(2,350)

#### Stock purchase contracts

According to the put options granted to Cybellum Technologies Ltd.'s shareholders and employees to whom stock options were granted, the Company recognized ₩24,506 million of derivative liabilities and no gain or loss on derivatives transaction was recognized during the

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

nine-month period ended September 30, 2023.

iv) Price risk

The Company is exposed to price risk through equity securities owned by the Company classified as financial assets at fair value through other comprehensive income.

The listed securities owned by the Company are traded in the open market, and related to KOSDAQ, NASDAQ, NYSE Index.

The effect of price index's fluctuation related to the listed securities on the equity (before applying the tax effect) is set out in the below table. The analysis is performed in respect of 30% increase/decrease in the price index under the assumption that other variations are consistent and the listed securities owned by the Company have correlation with the relevant past index.

<i>(in millions of Korean won)</i>	September 30, 2023		December 31, 2022	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	4,497	(4,497)	4,277	(4,277)
NASDAQ	233	(233)	456	(456)
NYSE	1,884	(1,884)	1,679	(1,679)

The valuation and changes in book amounts of the financial assets at fair value through other comprehensive income related to the market risk above are presented in Note 6.

(b) Credit risk

The Company operates a consistent Global Credit / TR (trade receivables) policy to manage credit risk exposures.

In regard to receivables, the Company operates an integrated receivable insurance program with the Korea Trade Insurance Corporation (K-SURE) and Seoul Guarantee Insurance (Coface). In an effort to minimize receivable credit risk, the Company applies the credit rating of the counterparty rated by insurers, when determining the insurance coverage. In addition, the Company performs stringent credit risk managements based on credit valuation criteria for receivables without insurance coverage or collateral.

At the end of the reporting period, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩1,861,324 million (December 31, 2022: ₩1,105,906 million) and its risk is managed appropriately within insurer's credit limit of ₩2,894,456 million (December 31, 2022: ₩2,970,803 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

At the end of the reporting period, the carrying amount of financial assets represents net of impairment loss to reflect Company's maximum exposure to the credit risk.

(c) Liquidity risk

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

The Company forecasts its cash flow and liquidity status and sets action plans on a regular basis to manage liquidity risk proactively. The Company systematically works with experts in four regional treasury centers to carry out fund and liquidity management that can react proactively to the changing global financial environment.

The Company maintains adequate amount of cash and committed credit facilities in Kookmin Bank, Shinhan Bank and Standard Chartered Bank to cope with potential liquidity risk arising from financial distress.

In addition, the Company is able to source funds any time in the domestic and international financial markets because it has good investment credit grades of AA Stable from Korea Investors Service, Korea Ratings and NICE Information Service, BBB from Standard & Poors, and Baa2 from Moody's at the end of the reporting period.

- i) Cash flow information on maturity of financial liabilities as of September 30, 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Trade payables	6,372,603	6,372,603	-	-	-
Borrowings	10,621,614	2,079,989	961,982	3,841,005	3,738,638
Lease liabilities	82,302	37,678	19,909	17,882	6,833
Other payables	1,791,635	1,779,913	100	11,622	-
Other financial liabilities	24,508	-	12,254	9,803	2,451
<b>Total</b>	<b>18,892,662</b>	<b>10,270,183</b>	<b>994,245</b>	<b>3,880,312</b>	<b>3,747,922</b>

The above cash flows are calculated at nominal value based on the earliest maturity dates, and include cash flows of principal and interests. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

- ii) The maturity analysis of financial guarantee contracts provided by the Company to subsidiaries and third party companies is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Financial guarantee contracts	4,115,699	4,115,699	-	-	-

The financial guarantee contracts provided to subsidiaries and the third party companies are allocated to earliest period in which the Company can be required to make the payments, at the maximum amount of guarantees.

## LG Electronics Inc.

### Notes to the Condensed Separate Interim Financial Statements September 30, 2023 and 2022 (Unaudited), and December 31, 2022

#### 31.2 Capital Risk Management

The Company's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Company monitors financial ratios, such as liability to equity ratio and net borrowing ratio each month and implements required action plan to improve the capital structure.

Liability to equity ratio and net borrowing ratio as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won, except for ratios)</i>	September 30, 2023	December 31, 2022
Liability (A)	21,117,700	18,823,785
Equity (B)	11,544,294	9,889,029
Cash and cash equivalents (C)	2,640,099	1,941,615
Borrowings and lease liabilities (D)	9,263,604	7,662,539
Liability to equity ratio (A/B)	182.9%	190.4%
Net borrowings ratio ((D-C)/B)	57.4%	57.9%

#### 31.3 Fair Value Estimation

(a) The book amount and fair value of the Company's financial assets and liabilities as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets and others	-	-	105,291	105,291
Financial assets at fair value through other comprehensive income				
Trade receivables	226,404	<sup>1</sup>	-	-
Other financial assets	-	-	66,752	66,752
Derivatives for hedging purposes				
Other financial assets	32,493	32,493	211,947	211,947
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	2,640,099	<sup>1</sup>	-	-
Deposits held by financial institutions	140,000	<sup>1</sup>	687	687
Trade receivables	5,373,660	<sup>1</sup>	29,585	29,585
Other receivables	532,899	<sup>1</sup>	1,176,963	1,055,097
<b>Other assets</b>				
Trade receivables	69,954	<sup>1</sup>	385,797	385,797
<b>Total</b>	<b>9,015,509</b>		<b>1,997,022</b>	

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

<i>(in millions of Korean won)</i>	September 30, 2023			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	-	-	24,506	24,506
Derivatives for hedging purposes				
Other financial liabilities	-	-	17,836	17,836
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	6,372,603	<sup>1</sup>	-	-
Borrowings	1,789,562	<sup>1</sup>	7,397,016	6,907,152
Other payables	1,779,913	<sup>1</sup>	11,722	9,621
<b>Other liabilities</b>				
Lease liabilities	35,150	<sup>2</sup>	41,876	<sup>2</sup>
Other financial liabilities	6,059	<sup>3</sup>	4,924	<sup>3</sup>
<b>Total</b>	<b>9,983,287</b>		<b>7,497,880</b>	

<i>(in millions of Korean won)</i>	December 31, 2022			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets	285	285	94,866	94,866
Financial assets at fair value through other comprehensive income				
Trade receivables	290,274	<sup>1</sup>	-	-
Other financial assets	-	-	61,531	61,531
Derivatives for hedging purposes				
Other financial assets	555	555	158,595	158,595
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	1,941,615	<sup>1</sup>	-	-
Deposits held by financial institutions	170,969	<sup>1</sup>	490	490
Trade receivables	3,655,793	<sup>1</sup>	-	-
Other receivables	495,175	<sup>1</sup>	163,543	149,780
<b>Other assets</b>				
Trade receivables	25,550	<sup>1</sup>	138,712	138,712
<b>Total</b>	<b>6,580,216</b>		<b>617,737</b>	

# LG Electronics Inc.

## Notes to the Condensed Separate Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

(in millions of Korean won)	December 31, 2022			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	135	135	24,506	24,506
Derivatives for hedging purposes				
Other financial liabilities	-	-	7,163	7,163
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	5,428,176	<sup>1</sup>	-	-
Borrowings	1,073,908	<sup>1</sup>	6,472,122	5,638,608
Other payables	2,055,049	<sup>1</sup>	7,723	5,955
<b>Other liabilities</b>				
Lease liabilities	65,979	<sup>2</sup>	50,530	<sup>2</sup>
Other financial liabilities	6,446	<sup>3</sup>	4,689	<sup>3</sup>
<b>Total</b>	<b>8,629,693</b>		<b>6,566,733</b>	

<sup>1</sup> Excluded from disclosure such as fair value hierarchy and measurement method as the book amount is the reasonable approximate of fair value.

<sup>2</sup> Lease liabilities were excluded from the fair value disclosures in accordance with Korean IFRS 1107 *Financial Instruments: Disclosures*.

<sup>3</sup> Measured at the higher of the amount of the loss allowance determined in accordance with Korean IFRS 1109 *Financial Instruments*, and the amount initially recognized less cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*, and excluded from disclosure as there is no significant difference between the book amount and its fair value.

### (b) Fair value measurements of assets and liabilities

#### i) Fair value hierarchy and measurement method

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement is to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. When measuring fair value using valuation techniques, the Company maximizes the use of market information and minimizes the use of unobservable inputs.

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1: Financial instruments measured at the quoted prices in an active market for identical assets or liabilities are included in 'level 1'. Assets or liabilities categorized within 'level 1' are financial instruments such as marketable equity securities traded.



## **LG Electronics Inc.**

### **Notes to the Condensed Separate Interim Financial Statements**

**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

- Level 2: When financial instruments are measured by using a discounted cash flow, if all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'. Assets or liabilities categorized within 'level 2' are financial instruments such as derivative financial instruments.

- Level 3: When financial instruments are measured by using a discounted cash flow, if one or more of the significant inputs are unobservable market data, the instrument is included in 'level 3'. The assets or liabilities categorized within 'level 3' are unlisted equity securities and debt securities.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, an entity within the same industry, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price for financial assets held by the Company is the closing price at the end of the reporting period. These instruments are included in 'level 1'. Instruments included in 'level 1' comprise primarily listed equity securities classified as financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses various valuation techniques that the Company develops or figures that external valuation agencies provide, and makes judgements based on current market conditions. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'.

If one or more of the significant inputs are not based on observable market data, the instrument is included in 'level 3'. Financial instrument included 'level 3' uses other method including discounting cash flow method.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Other financial assets and others				
Financial assets at fair value through other comprehensive income	17,048	-	49,704	66,752
Financial assets at fair value through profit or loss	-	-	105,291	105,291
Derivatives for hedging purposes	-	244,440	-	244,440
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	24,506	-	24,506
Derivatives for hedging purposes	-	17,836	-	17,836
<i>(in millions of Korean won)</i>	December 31, 2022			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through other comprehensive income	18,271	-	43,260	61,531
Financial assets at fair value through profit or loss	-	285	94,866	95,151
Derivatives for hedging purposes	-	159,150	-	159,150
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	24,641	-	24,641
Derivatives for hedging purposes	-	7,163	-	7,163

The above fair value amounts are recurring fair value measurements.

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

- Valuation technique and inputs for fair value measurements categorized within 'level 2'

Valuation technique and inputs for fair value measurements categorized within 'level 2' as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	Fair value		Valuation techniques	Inputs
	September 30, 2023	December 31, 2022		
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through profit or loss	-	285	Discounted cash flow	Discount rate and exchange rate
Derivatives for hedging purposes	244,440	159,150	Discounted cash flow	Discount rate and exchange rate
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	135	Discounted cash flow	Discount rate and exchange rate
Financial liabilities at fair value through profit or loss	24,506	24,506	Binomial model	Share price and volatility
Derivatives for hedging purposes	17,836	7,163	Discounted cash flow	Discount rate and exchange rate

- Valuation technique and inputs for fair value measurements categorized within 'level 3'

At the end of the reporting period, financial instruments measured at fair value categorized within 'level 3' comprise unlisted equity securities and debt securities and are measured using discounted cash flow considering discount rate and others as inputs.

iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Financial instruments not measured at fair value but for which the fair value is disclosed as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	687	687
Non-current trade receivables	-	-	415,382	415,382
Non-current other receivables	-	-	1,055,097	1,055,097
<b>Liabilities</b>				
Non-current borrowings	-	-	6,907,152	6,907,152
Non-current other payables	-	-	9,621	9,621

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

<i>(in millions of Korean won)</i>	December 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	490	490
Non-current trade receivables	-	-	138,712	138,712
Non-current other receivables	-	-	149,780	149,780
<b>Liabilities</b>				
Non-current borrowings	-	-	5,638,608	5,638,608
Non-current other payables	-	-	5,955	5,955

- Valuation technique and inputs for fair value measurements categorized within 'level 2'

At the end of the reporting period, there are no financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within 'level 2'.

- Disclosure in relation to fair value measurements categorized within 'level 3'

Valuation technique, inputs and unobservable inputs of financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within 'level 3' as of September 30, 2023 and December 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	September 30, 2023		December 31, 2022		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
	Book amount	Fair value	Book amount	Fair value				
<b>Assets</b>								
Non-current deposits held by financial institutions	687	687	490	490	Discounted cash flow	Discount rate	Discount rate	0.10%
Non-current trade receivables	415,382	415,382	138,712	138,712	Discounted cash flow	Discount rate	Discount rate	5.3%~7.0%
Non-current other receivables	1,176,963	1,055,097	163,543	149,780	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.4%~5.3%
<b>Liabilities</b>								
Non-current borrowings	7,397,016	6,907,152	6,472,122	5,638,608	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.3%~6.2%
Non-current other payables	11,722	9,621	7,723	5,955	Discounted cash flow	Discount rate	Discount rate	4.38%~4.78%

**LG Electronics Inc.**  
**Notes to the Condensed Separate Interim Financial Statements**  
**September 30, 2023 and 2022 (Unaudited), and December 31, 2022**

---

**32. Discontinued Operation**

In 2022, the Company discontinued the operations of energy business in order to focus on the Company's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

- (a) Profit and loss from discontinued operation for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Net sales	413	150,620
Operating profit (loss)	543	(207,334)
Profit (Loss) before income tax	527	(224,802)
Income tax expense (benefit)	133	(60,697)
<b>Profit (Loss) for the period, net of tax</b>	<b>394</b>	<b>(164,105)</b>

- (b) Cash flows from discontinued operations for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Net cash inflow (outflow) from operating activities	(4,231)	(296,075)
Net cash inflow (outflow) from investing activities	288	441,090
Net cash inflow (outflow) from financing activities	3,943	(145,015)