

**LG Chem, Ltd. and Subsidiaries**  
**Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024**

**LG Chem, Ltd. and Subsidiaries**  
**Index**  
**March 31, 2025 and 2024**

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	<b>Page(s)</b>
<b>Report on Review of Condensed Consolidated Interim Financial Statements</b> .....	1 - 2
<b>Condensed Consolidated Interim Financial Statements</b>	
Consolidated Interim Statements of Financial Position .....	3 - 4
Consolidated Interim Income Statements .....	5
Consolidated Interim Statements of Comprehensive Income .....	6
Consolidated Interim Statements of Changes in Equity .....	7
Consolidated Interim Statements of Cash Flows .....	8
Notes to the Condensed Consolidated Interim Financial Statements .....	9 - 89



## **Report on Review of Condensed Consolidated Interim Financial Statements**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
LG Chem, Ltd.

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

We have reviewed the accompanying condensed consolidated interim financial statements of LG Chem, Ltd. and its subsidiaries (collectively referred to as the "Group"). These condensed consolidated interim financial statements consist of the consolidated interim statement of financial position of the Group as at March 31, 2025, and the related consolidated interim income statement, statements of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2025, 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 fair presentation of these condensed consolidated 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 consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to issue a report on these condensed consolidated 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 consolidated interim financial statements are not presented fairly, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

**Other Matters**

We have audited the consolidated statement of financial position of the Group as at December 31, 2024, and the related consolidated income statement, statements of 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 7, 2025. The consolidated statement of financial position as at December 31, 2024, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2024.

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.

May 15, 2025  
Seoul, Korea

This report is effective as of May 15, 2025, 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 consolidated 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 Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Statements of Financial Position**  
**March 31, 2025 and December 31, 2024**

(in millions of Korean won)

	Notes	March 31, 2025 (Unaudited)	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3, 5, 6	₩ 6,949,979	₩ 7,854,877
Trade receivables	3, 5, 7, 31	8,783,145	8,166,047
Other receivables	3, 5, 7, 31	1,065,785	1,117,359
Other current financial assets	3, 5, 8	193,211	219,845
Prepaid income taxes		79,257	127,219
Other current assets	13	1,403,719	1,482,773
Inventories	9	8,528,746	8,847,433
Assets held for sale	34	57	74
Total current assets		27,003,899	27,815,627
<b>Non-current assets</b>			
Trade receivables	3, 5, 7	178,356	392,585
Other receivables	3, 5, 7	418,894	450,535
Other non-current financial assets	3, 5, 8	2,364,199	2,439,917
Investments in associates and joint ventures	1, 10, 33	904,694	898,393
Deferred tax assets	28	2,920,227	2,865,593
Property, plant and equipment	11	56,617,582	54,570,446
Intangible assets	12	3,751,576	3,619,361
Investment properties	36	97,163	98,187
Other non-current assets	13, 16	834,040	707,118
Total non-current assets		68,086,731	66,042,135
<b>Total assets</b>		₩ 95,090,630	₩ 93,857,762
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	3, 5, 31	₩ 3,924,982	₩ 3,681,898
Other payables	3, 5, 31	5,708,545	7,024,302
Borrowings	3, 5, 14	8,633,871	7,621,059
Other current financial liabilities	3, 5, 8	290,507	352,269
Provisions	15	1,012,322	1,054,559
Income tax payables		155,133	184,428
Other current liabilities	17, 35	1,190,996	1,167,202
Total current liabilities		20,916,356	21,085,717
<b>Non-current liabilities</b>			
Other payables	3, 5	42,051	31,065
Borrowings	3, 5, 14	20,768,860	19,755,038
Other non-current financial liabilities	3, 5, 8	1,290,941	1,043,099
Provisions	15	927,515	800,168
Net defined benefit liabilities	13, 16	10,187	9,788
Deferred tax liabilities	28	388,801	432,942
Other non-current liabilities	17, 35	2,639,585	2,704,482
Total non-current liabilities		26,067,940	24,776,582
<b>Total liabilities</b>		₩ 46,984,296	₩ 45,862,299

**LG Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Statements of Financial Position**  
**March 31, 2025 and December 31, 2024**

<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>March 31, 2025 (Unaudited)</b>	<b>December 31, 2024</b>
<b>Equity</b>			
Issued capital	1, 19	391,406	391,406
Capital surplus	19	11,568,870	11,568,870
Elements of other stockholders equity	21	(19,569)	(19,569)
Accumulated other comprehensive income		2,864,534	2,751,299
Retained earnings	20	18,406,736	18,592,174
<b>Equity attributable to owners of the Parent Company</b>		<b>33,211,977</b>	<b>33,284,180</b>
<b>Non-controlling interests</b>		<b>14,894,357</b>	<b>14,711,283</b>
<b>Total equity</b>		<b>48,106,334</b>	<b>47,995,463</b>
<b>Total liabilities and equity</b>		<b>₩ 95,090,630</b>	<b>₩ 93,857,762</b>

The above consolidated interim statements of financial position should be read in conjunction with the accompanying notes.

**LG Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Income Statements**  
**Three-Month Periods Ended March 31, 2025 and 2024**

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

	Notes	Period Ended March 31	
		2025 (Unaudited)	2024 (Unaudited)
<b>Revenue</b>	22, 31, 33, 35	₩ 12,171,015	₩ 11,609,432
<b>Cost of sales</b>	22, 23, 31	(10,126,978)	(9,705,679)
<b>Gross profit</b>		2,044,037	1,903,753
Other operating income	22	457,716	188,954
Selling and administrative expenses	22, 23, 31	(2,054,782)	(1,828,076)
<b>Operating income</b>	22, 33	446,971	264,631
Finance income	25	479,298	636,090
Finance costs	25	(453,535)	(657,418)
Losses of associates and joint ventures	10	(3,170)	(3,460)
Other non-operating income	26	277,264	329,195
Other non-operating expenses	27	(302,932)	(245,734)
<b>Profit before income tax</b>	32	443,896	323,304
<b>Income tax expense</b>	28	(162,110)	(3,945)
<b>Profit from continuing operations</b>		₩ 281,786	₩ 319,359
Profit (loss) from discontinued operations	34	₩ (21,416)	₩ 22,340
<b>Profit</b>		₩ 260,370	₩ 341,699
<b>Profit is attributable to:</b>			
Owners of the Parent Company			
Profit (loss) from continuing operations		₩ (86,152)	₩ 114,267
Profit (loss) from discontinued operations		(21,416)	22,458
		(107,568)	136,725
Non-controlling interests			
Profit from continuing operations		367,938	205,092
Loss from discontinued operations		-	(118)
		367,938	204,974
<b>Earnings per share for profit attributable to the owners of the Parent Company (in won)</b>	29		
Basic earnings (losses) per ordinary share		(1,374)	1,742
Basic earnings (losses) per preferred share		(1,374)	1,792
<b>Earnings per share for profit from continuing operations attributable to the owners of the Parent Company (in won)</b>	29		
Basic earnings (losses) per ordinary share		(1,101)	1,455
Basic earnings (losses) per preferred share		(1,101)	1,505

The above consolidated interim income statements should be read in conjunction with the accompanying notes.

**LG Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Statements of Comprehensive Income**  
**Three-Month Periods Ended March 31, 2025 and 2024**

(in millions of Korean won)

	Notes	Period Ended March 31	
		2025 (Unaudited)	2024 (Unaudited)
<b>Profit</b>		₩ 260,370	₩ 341,699
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of net defined benefit liabilities	16	484	(1,050)
Loss on valuation of financial assets at fair value through other comprehensive income	8	(121,649)	(23,449)
Shares of remeasurements of net defined benefit liabilities of associates		(2)	-
Income tax relating to these items		24,874	12,571
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		175,282	825,048
Cash flow hedge		638	1,383
Shares of other comprehensive income of associates and joint ventures		16,876	16,994
Income tax relating to these items		16,668	(2,244)
<b>Other comprehensive income for the period, net of tax</b>		<u>113,171</u>	<u>829,253</u>
<b>Total comprehensive income for the period</b>		₩ <u>373,541</u>	₩ <u>1,170,952</u>
<b>Total comprehensive income for the period is attributable to:</b>			
Owners of the Parent Company		₩ 8,464	₩ 649,752
Non-controlling interest		365,077	521,200

The above consolidated interim statements of comprehensive income should be read in conjunction with the accompanying notes.



**LG Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Statements of Changes in Equity**  
**Three-Month Periods Ended March 31, 2025 and 2024**

(in millions of Korean won)

	Notes	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
		Issued capital	Capital surplus	Elements of other stockholders equity	Accumulated other comprehensive income (loss)	Retained earnings	Total		
<b>Balance at January 1, 2024</b>		₩ 391,406	₩ 11,572,098	₩ (19,569)	₩ 598,038	₩ 19,650,632	₩ 32,192,605	₩ 8,745,580	₩ 40,938,185
<b>Comprehensive income</b>									
Profit		-	-	-	-	136,725	136,725	204,974	341,699
Remeasurements of net defined benefit liabilities	16	-	-	-	-	(745)	(745)	(70)	(815)
Exchange differences on translation of foreign operations		-	-	-	508,898	-	508,898	314,244	823,142
Gain (loss) on valuation of financial assets at fair value through other comprehensive income		-	-	-	(11,243)	-	(11,243)	130	(11,113)
Cash flow hedge		-	-	-	855	-	855	190	1,045
Others		-	-	-	15,262	-	15,262	1,732	16,994
<b>Total comprehensive income for the period</b>		-	-	-	513,772	135,980	649,752	521,200	1,170,952
<b>Transactions with owners:</b>									
Dividends	30	-	-	-	-	(274,347)	(274,347)	(79,832)	(354,179)
Increase in paid-in capital of a subsidiary		-	-	-	-	-	-	1,500,454	1,500,454
Others		-	-	-	-	3,389	3,389	(80,004)	(76,615)
<b>Total transactions with owners</b>		-	-	-	-	(270,958)	(270,958)	1,340,618	1,069,660
<b>Balance at March 31, 2024 (Unaudited)</b>		₩ 391,406	₩ 11,572,098	₩ (19,569)	₩ 1,111,810	₩ 19,515,654	₩ 32,571,399	₩ 10,607,398	₩ 43,178,797
<b>Balance at January 1, 2025</b>		₩ 391,406	₩ 11,568,870	₩ (19,569)	₩ 2,751,299	₩ 18,592,174	₩ 33,284,180	₩ 14,711,283	₩ 47,995,463
<b>Comprehensive income</b>									
Profit (loss)		-	-	-	-	(107,568)	(107,568)	367,938	260,370
Remeasurements of net defined benefit liabilities	16	-	-	-	-	270	270	113	383
Exchange differences on translation of foreign operations		-	-	-	194,921	-	194,921	(2,658)	192,263
Loss on valuation of financial assets at fair value through other comprehensive income	8	-	-	-	(96,298)	-	(96,298)	(375)	(96,673)
Cash flow hedge		-	-	-	266	-	266	59	325
Others		-	-	-	16,875	(2)	16,873	-	16,873
<b>Total comprehensive income (loss) for the period</b>		-	-	-	115,764	(107,300)	8,464	365,077	373,541
<b>Transactions with owners:</b>									
Dividends	30	-	-	-	-	(78,659)	(78,659)	(100,859)	(179,518)
Increase in paid-in capital of a subsidiary		-	-	-	-	-	-	1,050,801	1,050,801
Others		-	-	-	(2,529)	521	(2,008)	(1,131,945)	(1,133,953)
<b>Total transactions with owners</b>		-	-	-	(2,529)	(78,138)	(80,667)	(182,003)	(262,670)
<b>Balance at March 31, 2025 (Unaudited)</b>		₩ 391,406	₩ 11,568,870	₩ (19,569)	₩ 2,864,534	₩ 18,406,736	₩ 33,211,977	₩ 14,894,357	₩ 48,106,334

The above consolidated interim statements of changes in equity should be read in conjunction with the accompanying notes.

**LG Chem, Ltd. and Subsidiaries**  
**Consolidated Interim Statements of Cash Flows**  
**Three-Month Periods Ended March 31, 2025 and 2024**

(in millions of Korean won)

	Notes	Period Ended March 31	
		2025 (Unaudited)	2024 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from operations	32	₩ 2,325,796	₩ 700,552
Interest received		68,822	101,430
Interest paid		(314,593)	(223,319)
Dividends received		10,042	6,088
Income taxes paid		(197,409)	(131,057)
<b>Net cash inflow from operating activities</b>		<b>1,892,658</b>	<b>453,694</b>
<b>Cash flows from investing activities</b>			
Decrease in other receivables		86,810	175,413
Proceeds from disposal of other financial assets		39,329	600
Proceeds from disposal of property, plant and equipment		41,929	16,672
Proceeds from disposal of intangible assets		1,612	22
Government grants received		9,293	35,871
Cash inflow from transfer of business		136,171	-
Increase in other receivables		(152,173)	(165,781)
Acquisition of investments in associates and joint ventures		(2,636)	(2,889)
Acquisition of other financial assets		(54,081)	(29,562)
Acquisition of property, plant and equipment		(4,043,868)	(3,972,304)
Acquisition of intangible assets		(47,649)	(40,702)
<b>Net cash outflow from investing activities</b>		<b>(3,985,263)</b>	<b>(3,982,660)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,787,252	4,555,622
Capital contribution from non-controlling interests		1,050,689	1,500,454
Cash inflow from settlement of derivative instruments transactions		61,515	-
Repayments of borrowings and others		(3,383,895)	(2,467,629)
Others		(1,331,565)	(81,096)
<b>Net cash inflow from financing activities</b>		<b>1,183,996</b>	<b>3,507,351</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(908,609)</b>	<b>(21,615)</b>
Cash equivalents included in the disposal group held for sale at the beginning of the period		-	23,877
Cash and cash equivalents at the beginning of the period		7,854,877	9,084,899
Effects of exchange rate changes on cash and cash equivalents		3,711	191,856
Cash equivalents included in the disposal group held for sale at the end of the period		-	(15,776)
<b>Cash and cash equivalents at the end of the period</b>		<b>₩ 6,949,979</b>	<b>₩ 9,263,241</b>

The above consolidated interim statements of cash flows should be read in conjunction with the accompanying notes.

# **LG Chem, Ltd. and Subsidiaries**

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

### **March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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#### **1. General Information**

General information about LG Chem, Ltd. (the Parent Company) and its 75 subsidiaries (collectively referred to as “the Group”) is as follows:

##### **1.1 The Parent Company**

The Parent Company was spun off on April 1, 2001, from LG Chem Investment Ltd. (now LG Corp., formerly LG Chemical Ltd.).

As at March 31, 2025, the Group has its manufacturing facilities in Yeosu, Daesan, Ochang, Cheongju, Naju, Iksan, Osong, Onsan, Gimcheon and overseas sites.

As at March 31, 2025, the Parent Company's capital, including the preferred issued capital of ₩38,444 million, is ₩391,406 million. The largest shareholder of the Parent Company is LG Corp., which owns 34.95% of the Parent Company's ordinary shares.

The Parent Company is authorized to issue 292 million shares of ordinary shares with par value of ₩5,000 per share. As at March 31, 2025, the Parent Company has 70,592,343 ordinary shares and 7,688,800 preferred shares issued and outstanding. Preferred shareholders have no voting rights but are entitled to receive dividends at a rate of 1% more than those paid to ordinary shareholders.

##### **1.2 Business Overview**

The Group is engaged in Petrochemicals, Energy solutions, and Advanced materials business, and also engaged in Life Sciences business acquired through a merger with LG Life Sciences, Ltd. in January 2017. In addition, the Parent Company acquired 100% shares of FarmHannong Co., Ltd., in April 2016, which is engaged to manufacture crop protection products, seeds, fertilizers and others.

The Petrochemical business includes production of olefin petrochemicals, such as ethylene, propylene, butadiene from Naphtha, and aromatic petrochemicals such as benzene. It also includes production of synthetic resin and synthetic components from olefin, and aromatic petrochemicals. This business bears characteristics of a large-volume process industry. The Group's major products are PE, PP, BPA, ABS, EP, PVC, plasticizers, acrylic, SAP, synthetic rubber, a special resin, and others.

LG Energy Solution, Ltd. which was established through the split-off of the Energy solution business from the Parent Company on December 1, 2020, and its subsidiaries mainly manufacture and supply batteries ranging from IT & New application batteries for mobile phones and laptop computers, to automotive batteries for electric vehicles and ESS (Energy Storage System) batteries. Demand of small-sized batteries for new applications such as electric tools and electric driving devices as well as traditional IT devices is increasing recently and the automotive battery business is also expected to expand rapidly due to an increasing demand of the batteries in associated with enhanced environment regulation in developed countries. Demand for ESS is expanding with an increasing importance of efficient usage of electricity and generation of renewable energy.

The advanced material business manufactures and supplies various kinds of IT materials such as automotive material, semiconductor materials, and display and battery materials such as LCD photoresist and cathode materials, It also manufactures and supplies RO membranes, which will be the next growth engine for future.

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

The Life Sciences business manufactures and supplies pharmaceutical products, such as human growth hormone 'Eutropin', diabetes drug 'Zemiglo', bovine somatotropin 'Boostin', hyaluronic acid filler 'YVOIRE' and others, as well as fine chemical products, such as herbicide 'PYANCHOR' for rice farming and others.

FarmHannong Co., Ltd. and its subsidiaries which were acquired by the Group in 2016 to manufacture and sell crop protection products, seeds, fertilizers and others. The crop protection business provides high value products such as environmentally-friendly pesticide. The fertilizer business leads developing a next generation fertilizers such as eco-friendly organic and functional fertilizers, and potting soil. The seed business puts priority on retaining various genetic resources and developing rare breeds with high profit in order to remain competitive in a future food industry.

### 1.3 Consolidated Subsidiaries, Associates and Joint Ventures

	Percentage of ownership (%)		Business location	Closing month	Business activities
	March 31, 2025	December 31, 2024			
Consolidated subsidiaries					
LG Energy Solution, Ltd. <sup>1</sup>	82	82	Korea	December	Battery manufacturing and sales
Ningbo LG Yongxing Chemical Co., Ltd. <sup>2</sup>	75	75	China	December	ABS/SBL manufacturing and sales
Ningbo Zhenhai LG Yongxing Trade Co., Ltd. <sup>2</sup>	75	75	China	December	ABS sales
LG Chem America, Inc	100	100	USA	December	Sales and trading
LG Chemical India Pvt. Ltd. <sup>3</sup>	100	100	India	December	Synthetic resin manufacturing and sales
LG Polymers India Pvt. Ltd. <sup>3</sup>	100	100	India	December	PS manufacturing and sales
LG Chemical (Guangzhou) Engineering Plastics Co., Ltd.	100	100	China	December	EP manufacturing and sales
LG Chem (Taiwan), Ltd.	100	100	Taiwan	December	Sales and trading
Tianjin LG Bohai Chemical Co., Ltd.	75	75	China	December	PVC, VCM, EDC manufacturing and sales
Tianjin LG BOTIAN Chemical Co., Ltd.	58	58	China	December	SBS manufacturing and sales
LG Chem (China) Investment Co., Ltd. <sup>4</sup>	100	100	China	December	China holding company
LG Chem (Tianjin) Engineering Plastics Co., Ltd.	100	100	China	December	EP manufacturing and sales
LG Chem Europe GmbH	100	100	Germany	December	Sales and trading
LG Chem Poland Sp. z o.o.	100	100	Poland	December	EP manufacturing and sales
LGC Petrochemical India Private Ltd.	100	100	India	December	Synthetic resin manufacturing and sales
HAENGBOKNURI CO., LTD.	100	100	Korea	December	Facility management and general cleaning
LG CHEM TK Kimya SANAYI VE TIC. Ltd. STI.	100	100	Turkey	December	Sales and trading
LG Chem Japan Co., Ltd.	100	100	Japan	December	Sales and trading
LG NanoH2O, LLC	100	100	USA	December	Water processing membrane sales
LG Chem (Chongqing) Engineering Plastics Co., Ltd.	100	100	China	December	EP manufacturing and sales
LG Chem(HUIZHOU) Petrochemical Co., Ltd.	70	70	China	December	ABS manufacturing and sales
LG Chem Life Sciences India Pvt. Ltd.	100	100	India	December	Pharmaceutical products sales
LG Jiansheng Chem Life Sciences (Beijing) Co., Ltd. <sup>5</sup>	100	100	China	December	Pharmaceutical products sales
LG Chem Life Sciences (Thailand) Ltd.	100	100	Thailand	December	Pharmaceutical products sales
LG Chem Hai Phong Vietnam Company Ltd.	100	100	Vietnam	December	Polarizer manufacturing and sales
LG Chem Mexico S.A. de C.V.	100	100	Mexico	December	Sales and trading

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

	Percentage of ownership (%)		Business location	Closing month	Business activities
	March 31, 2025	December 31, 2024			
LG Chem Hai Phong engineering Plastics LLC.	100	100	Vietnam	December	EP manufacturing and sales
LG Chem (Guangzhou) Information & Electronics Materials Co., Ltd.	100	100	China	December	OLED manufacturing and sales
LEYOU NEW ENERGY MATERIALS(WUXI) Co., LTD.	51	51	China	December	Battery materials manufacturing and sales
LG Chem Fund I LLC <sup>6</sup>	100	100	USA	December	Investments in venture companies
Uniseal, Inc.	100	100	USA	December	Adhesive manufacturing and sales
LG Chem Life Sciences USA Inc. <sup>7, 8</sup>	100	100	USA	December	Pharmaceutical products research
LG Chem Asia Pte. Ltd.	100	100	Singapore	December	Asia BSC
LG Chem China Tech Center <sup>4</sup>	100	100	China	December	Research on petrochemicals
LG PETRONAS Chemicals Malaysia Sdn.Bhd. <sup>9</sup>	51	51	Malaysia	December	NBL manufacturing and sales
LG-HY BCM CO., LTD.	51	51	Korea	December	Battery materials manufacturing and sales
LG Chem Ohio Petrochemical, Inc.	100	100	USA	December	ABS manufacturing and sales
LG Chem VietNam Co., Ltd.	100	100	Vietnam	December	Sales and trading
LG Chem Malaysia SDN.BHD.	100	100	Malaysia	December	Sales and trading
LG Chem BRASIL INTERMEDIACAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	100	100	Brazil	December	Sales and trading
Aveo Pharmaceuticals, Inc. <sup>8</sup>	100	100	USA	December	Anticancer drug sales and research
PT LG CHEM INDONESIA	100	100	Indonesia	December	Sales and trading
TW Biomassenergy Co., Ltd	60	60	Korea	December	Plant utility manufacturing and sales
LG Chem America Advanced Materials, Inc. <sup>10</sup>	100	100	USA	December	Battery materials manufacturing and sales
LG-Eni Biorefining Co., Ltd <sup>11</sup>	51	51	Korea	December	Bio-fuel manufacturing and sales
LG CHEM COLOMBIA S.A.S <sup>12</sup>	100	-	Colombia	December	Sales and trading
FarmHannong Co., Ltd. <sup>13</sup>	100	100	Korea	December	Agricultural pesticide manufacturing and sales
Farmhannong America, Inc. <sup>13</sup>	100	100	USA	December	Agricultural pesticide sales
FarmHannong(Thailand) Ltd. <sup>14</sup>	100	100	Thailand	December	Research and development ("R&D") on seeds
FARMHANNONG(MALAYSIA) SDN. BHD. <sup>13</sup>	100	100	Malaysia	December	Agricultural pesticide licensing
PT FARM HANNONG INDONESIA <sup>13</sup>	100	100	Indonesia	December	Agricultural pesticide licensing
FarmHannong do Brasil Limitada <sup>13</sup>	100	100	Brazil	December	Agricultural pesticide sales
LG Energy Solution (Nanjing) Co., Ltd. <sup>1</sup>	82	82	China	December	Small-battery manufacturing and sales
LG Energy Solution Michigan Inc. <sup>1</sup>	82	82	USA	December	Automotive battery research and manufacturing
LG Energy Solution Battery (Nanjing) Co., Ltd. <sup>1</sup>	82	82	China	December	Automotive battery manufacturing and sales
LG Energy Solution Wroclaw sp. z o.o. <sup>1</sup>	82	82	Poland	December	Automotive battery manufacturing and sales
LG Energy Solution Australia Pty Ltd <sup>1</sup>	82	82	Australia	December	ESS sales
LG Energy Solution Technology (Nanjing) Co., Ltd. <sup>1</sup>	82	82	China	December	Automotive battery manufacturing and sales
Ultium Cells Holdings LLC <sup>1, 22</sup>	41	41	USA	December	Automotive battery manufacturing and sales
Ultium Cells LLC <sup>1, 22</sup>	41	41	USA	December	Automotive battery manufacturing and sales
LG Energy Solution Europe GmbH <sup>1</sup>	82	82	Germany	December	ESS sales
LG Energy Solution (Taiwan), Ltd. <sup>1</sup>	82	82	Taiwan	December	Small-storage battery sales
Aremnuri. Co. Ltd <sup>1</sup>	82	82	Korea	December	Facility management and general cleaning
LG Energy Solution Fund I LLC <sup>1</sup>	82	82	USA	December	Investments in venture companies

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

	Percentage of ownership (%)		Business location	Closing month	Business activities
	March 31, 2025	December 31, 2024			
LG Energy Solution Vertech Inc. <sup>1</sup>	82	82	USA	December	ESS installation service
LG Energy Solution Arizona, Inc. <sup>1</sup>	82	82	USA	December	Small-battery manufacturing and sales
Baterias De Castilla, S.L. <sup>1</sup>	82	82	Spain	December	Special purpose company
L-H Battery Company, Inc. <sup>1</sup>	42	42	USA	December	Automotive battery manufacturing and sales
LG Energy Solution India Private Limited <sup>1</sup>	82	82	India	December	Small-battery sales
LG Energy Solution Arizona ESS, Inc. <sup>1</sup>	82	82	USA	December	ESS Manufacturing and sales
Nextstar Energy Inc. <sup>1</sup>	42	42	Canada	December	Automotive battery manufacturing and sales
LG Energy Solution Fund II LLC <sup>1</sup>	82	82	USA	December	Investments in venture companies
HL-GA BATTERY COMPANY LLC <sup>1, 15</sup>	41	41	USA	December	Automotive battery manufacturing and sales
LG Energy Solution Japan Co., Ltd. <sup>1, 16</sup>	82	82	Japan	December	ESS sales
PT. HLI Green Power <sup>1, 18</sup>	41	41	Indonesia	December	Automotive battery manufacturing and sales
LG Energy Solution China Co., Ltd. <sup>1, 17</sup>	82	-	China	December	Special purpose company
<b>Associates</b>					
TECHWIN Co., Ltd.	20	20	Korea	December	Environment solution and construction of chemical plant
LG Chem Life Sciences Poland Ltd. <sup>23</sup>	100	100	Poland	December	Pharmaceutical products sales
HUAJIN NEW ENERGY MATERIALS(QUZHOU)CO., LTD.	49	49	China	December	Battery materials manufacturing and sales
TL Chemical CO., Ltd	40	40	Korea	December	AN manufacturing and sales
KOREA PRECURSOR CO., LTD.	49	49	Korea	December	Battery materials manufacturing and sales
Sam-a Aluminium Company, Limited <sup>1, 19</sup>	8	8	Korea	December	Aluminum sales and manufacturing
NEXPO Co., Ltd <sup>1, 19</sup>	16	16	Korea	December	Battery products manufacturing and sales
Bricks Capital Management Global Battery Private Equity Fund I <sup>1, 20</sup>	49	49	Korea	December	Collective investment scheme
<b>Joint ventures <sup>21</sup></b>					
SEETEC Co., Ltd.	50	50	Vietnam	December	DOP production and sales
LG Toray Hungary Battery Separator Kft.	50	50	Hungary	December	Plant utility and distribution, research assistance service

<sup>1</sup> As at March 31, 2025, LG Energy Solution, Ltd. owns shares in subsidiaries, associates and joint ventures, such as LG Energy Solution (Nanjing) Co., Ltd. and others, and the Group has stated the shares of those companies as effective share ratio.

<sup>2</sup> As at March 31, 2025, Ningbo LG Yongxing Chemical Co., Ltd. owns 100% of Ningbo Zhenhai LG Yongxing Trade Co.'s shares.

<sup>3</sup> As at March 31, 2025, LG Chemical India Pvt. Ltd. owns 100% of LG Polymers India Pvt. Ltd.'s shares.

<sup>4</sup> As at March 31, 2025, LG Chem (China) Investment Co., Ltd. owns 100% of LG Chem China Tech Center's shares.

<sup>5</sup> During the year ended December 31, 2024, the Group acquired ₩ 2,499 million of additional interest of LG Jiansheng Life Sciences (Beijing) Co., Ltd. and the ownership ratio has increased to 100%.

<sup>6</sup> During the three-month period ended March 31, 2025, the Group additionally acquired shares of LG CHEM FUND I LLC for ₩ 1,673 million.

<sup>7</sup> During the year ended December 31, 2024, LG Chem Life Science Innovation Center, Inc. changed its name to LG Chem Life Sciences USA Inc.

<sup>8</sup> As at March 31, 2025, LG Chem Life Sciences USA Inc. owns 100% of the shares of Aveo Pharmaceuticals, Inc.

<sup>9</sup> During the three-month period ended March 31, 2025, the Group additionally acquired shares of LG PETRONAS Chemicals Malaysia Sdn.Bhd. for ₩ 15,271 million.

## LG Chem, Ltd. and Subsidiaries

### Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2025 and 2024 (Unaudited), and December 31, 2024

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- <sup>10</sup> During the year ended December 31, 2024, LG Chem America Advanced Materials, Inc. was established, and the Group has additionally acquired shares for ₩ 289,750 million.
- <sup>11</sup> During the year ended December 31, 2024, LG-Eni Biorefining Co., Ltd was established, and the Group has newly acquired a 51% interest for ₩ 86,751 million.
- <sup>12</sup> During the three-month period ended March 31, 2025, LG CHEM COLOMBIA S.A.S was established, and the Group has newly acquired a 100 % interest for ₩ 154 million.
- <sup>13</sup> As at March 31, 2025, FarmHannong Co., Ltd. owns 100% of Farmhannong America, Inc., FARMHANNONG(MALAYSIA) SDN.BHD., PT FARM HANNONG INDONESIA and FarmHannong do Brasil Limitada's shares.
- <sup>14</sup> During the three-month period ended March 31, 2025, FarmHannong(Thailand) Ltd. was liquidated.
- <sup>15</sup> Although the Group has less than a majority ownership interest in HL-GA Battery Company LLC, it is considered to have control over HL-GA Battery Company LLC as the Group can exercise the majority voting rights in its decision-making process and has the ability to use power to affect the returns of the investee through its involvement in the production and cost management and other activities in accordance with the shareholders' agreement.
- <sup>16</sup> During the year ended December 31, 2024, LG Energy Solution Japan Co., Ltd. was established, and LG Energy Solution has newly acquired a 100% interest for ₩ 535 million.
- <sup>17</sup> During the year ended December 31, 2024, LG Energy Solution China Co., Ltd. was established, and LG Energy Solution has newly acquired a 100% interest for ₩ 14,174 million.
- <sup>18</sup> During the year ended December 31, 2024, PT. HLI Green Power was newly included in the consolidation. Although the Group's ownership is less than a majority ownership interest, it is considered to have control as the Group can exercise the majority voting rights in its decision-making process and has the ability to use power to affect the returns of the investee through its involvement in the production and cost management and other activities in accordance with the shareholder's agreement.
- <sup>19</sup> Although the ownership interest is less than 20%, the Group can participate in its decision-making process in accordance with the shareholders' agreement. Therefore, it is determined to have a significant influence.
- <sup>20</sup> Although the Group's ownership interest in the limited partnership is more than 50%, since the consent of all equity participants is required for major decisions, the Group determine that the Group has not control over the limited partnership and has classified it as an associate.
- <sup>21</sup> All joint arrangements over which the Group has joint control are classified as a joint venture since the joint arrangements are structured through a separate vehicle and the parties have rights to the net assets of the arrangement.
- <sup>22</sup> Although the Group's ownership stake in Ultium Cells LLC and Ultium Cells Holdings LLC is less than a majority, it is considered to have the control. This is because it can exercise the majority voting rights in its decision-making process and the ability to use power to affect the returns of the investee through its involvement in the production and cost management and other activities in accordance with the shareholders' agreement.
- <sup>23</sup> Classified as an investment in associate due to its small size.

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

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#### 1.4 Changes in Scope for Consolidation

Subsidiaries newly included in the consolidation for the three-month period ended March 31, 2025, are as follows:

Subsidiary	Reason
LG CHEM COLOMBIA S.A.S	Newly established
LG Energy Solution China Co., Ltd.	Newly established

A subsidiary excluded from the consolidation for the three-month period ended March 31, 2025, is as follows:

Subsidiary	Reason
FarmHannong(Thailand) Ltd.	Liquidated

## 2. Material Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Basis of Preparation

The Group 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 condensed consolidated interim financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The Group's condensed consolidated interim financial statements for the three-month period ended March 31, 2025, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. Therefore, these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements as at December 31, 2024.

#### 2.1.1 New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2025.

*(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability*

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments do not have a significant impact on the financial statements.

#### 2.1.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations had been issued but were not mandatory for annual reporting periods ending on December 31, 2025.



# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

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#### *(a) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures*

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

#### *(b) Annual Improvements to Korean IFRS -Volume 11*

Annual Improvements to Korean IFRS -Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a significant impact on the financial statements.

- Korean IFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- Korean IFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- Korean IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS 1007 *Statement of Cash Flows: Cost method*

## 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.

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

The Group is within the scope of the Pillar Two model rules. The Group recognized an additional income tax expenses in relation to the rules and applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income Taxes.

### 3. Financial Risk Management

#### 3.1 Financial Risk Factors

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

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

#### (a) Market risk

##### Foreign exchange risk

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

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The Group manages maximum loss for currency risk exposures within acceptable range by using currency risk management model and hires employees who are exclusively responsible for currency risk management. This foreign exchange exposure is primarily managed through borrowings and other financial instruments denominated in the relevant foreign currency.

As at March 31, 2025 and December 31, 2024, the Group's monetary assets and liabilities denominated in currencies other than its functional currency, are as follows:

	(in millions of Korean won)							
	March 31, 2025		December 31, 2024					
	Assets		Liabilities		Assets		Liabilities	
USD	₩	7,105,966	₩	13,932,755	₩	6,798,800	₩	14,238,401
EUR		423,004		3,725,477		569,793		3,784,316
JPY		59,690		109,075		61,091		170,608
CNY and others		167,881		80,728		54,780		122,784

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

As at March 31, 2025 and December 31, 2024, if the Group's functional currency had weakened / strengthened by 10% against the US dollar and other currencies with all other variables held constant, profit before income tax would have been affected as follows:

	<b>March 31, 2025</b>				<b>December 31, 2024</b>			
	<b>10% Increase</b>		<b>10% Decrease</b>		<b>10% Increase</b>		<b>10% Decrease</b>	
(in millions of Korean won)								
USD	₩	(610,119)	₩	610,119	₩	(654,208)	₩	654,208
EUR		(300,023)		300,023		(293,859)		293,859
JPY		(4,938)		4,938		(10,874)		10,874
CNY and others		27,791		(27,791)		20,569		(20,569)

The above sensitivity analysis has been performed for monetary assets and liabilities denominated in foreign currencies other than the Group's functional currency at the reporting date.

As at March 31, 2025 and December 31, 2024, the Group entered into foreign currency forward and currency swap contracts to manage risk from changes in exchange rates and the details are as follows:

(in millions of Korean won and in millions of US dollars)

		March 31, 2025						
		Contract amount	Contract exchange rate	Contract inception date	Contract maturity	Book amount		
Contractor						Assets	Liabilities	
Currency Forward	KB Kookmin Bank	USD 500	1,102.83	2020.11.24	2029.4.16	₩ 130,226	₩	
Currency swap	KDB	USD 65	1,135.60	2021.6.24	2025.6.24	21,990		-
	KDB	USD 35	1,135.60	2021.6.24	2026.6.24	12,523		-
	Shinhan Bank	USD 300	1,131.80	2021.7.7	2026.7.7	90,067		-
	Woori Bank	USD 100	1,131.80	2021.7.7	2026.7.7	30,143		-
	Industrial and Commercial Bank of China	USD 100	1,131.80	2021.7.7	2026.7.7	30,217		-
	Shinhan Bank	USD 100	1,131.80	2021.7.7	2031.7.7	22,948		-
	Woori Bank	USD 200	1,131.80	2021.7.7	2031.7.7	46,311		-
	KDB	USD 200	1,131.80	2021.7.7	2031.7.7	46,397		-
	KDB	USD 250	1,289.70	2022.6.15	2025.6.15	44,355		-
	Shinhan Bank	USD 110	1,289.70	2022.6.15	2027.6.15	18,430		-
	The Export-Import Bank of Korea	USD 200	1,305.90	2022.7.14	2025.7.14	31,830		-
	Shinhan Bank	USD 100	1,305.90	2022.7.14	2025.7.14	15,930		-
	Shinhan Bank	USD 100	1,233.40	2023.1.26	2026.1.26	23,211		-
	KDB	USD 100	1,233.40	2023.1.26	2026.1.26	23,319		-
	JP Morgan	USD 200	1,337.60	2023.9.25	2026.9.25	26,214		-
	Shinhan Bank	USD 200	1,337.60	2023.9.25	2026.9.25	24,907		-
	KDB	USD 400	1,337.60	2023.9.25	2028.9.25	44,814		-
	Woori Bank	USD 200	1,337.60	2023.9.25	2028.9.25	22,397		-

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won and in millions of US dollars)

March 31, 2025						
Contractor	Contract amount	Contract exchange rate	Contract inception date	Contract maturity	Book amount	
					Assets	Liabilities
DBS	USD 200	1,380.80	2024.7.2	2027.7.2	20,847	-
JP Morgan	USD 200	1,380.80	2024.7.2	2027.7.2	20,767	-
Shinhan Bank	USD 300	1,380.80	2024.7.2	2027.7.2	29,090	-
KB Kookmin Bank	USD 200	1,380.80	2024.7.2	2029.7.2	18,243	-
Woori Bank	USD 200	1,380.80	2024.7.2	2029.7.2	18,302	-
The Export-Import Bank of Korea	USD 200	1,380.80	2024.7.2	2029.7.2	18,159	-
IBK	USD 100	1,380.80	2024.7.2	2029.7.2	9,082	-
KDB	USD 100	1,380.80	2024.7.2	2029.7.2	9,096	-
KDB	USD 400	1,380.80	2024.7.2	2034.7.2	21,932	-
Woori Bank	USD 100	1,380.80	2024.7.2	2034.7.2	5,488	-

(in millions of Korean won and in millions of US dollars)

December 31, 2024									
	Contractor	Contract amount	Contract exchange rate	Contract inception date	Contract maturity	Book amount			
						Assets		Liabilities	
Currency Forward	KB Kookmin Bank	USD 500	1,102.83	2020.11.24	2029.4.16	₩	118,088	₩	-
Currency swap	KDB	USD 130	1,135.60	2021.6.24	2025.6.24		45,025		-
	KDB	USD 35	1,135.60	2021.6.24	2026.6.24		12,891		-
	Shinhan Bank	USD 300	1,131.80	2021.7.7	2026.7.7		88,419		-
	Woori Bank	USD 100	1,131.80	2021.7.7	2026.7.7		29,589		-
	Industrial and Commercial Bank of China	USD 100	1,131.80	2021.7.7	2026.7.7		29,778		-
	Shinhan Bank	USD 100	1,131.80	2021.7.7	2031.7.7		20,241		-
	Woori Bank	USD 200	1,131.80	2021.7.7	2031.7.7		40,936		-
	KDB	USD 200	1,131.80	2021.7.7	2031.7.7		41,000		-
	KDB	USD 250	1,289.70	2022.6.15	2025.6.15		45,444		-
	Shinhan Bank	USD 110	1,289.70	2022.6.15	2027.6.15		18,916		-
	The Export-Import Bank of Korea	USD 200	1,305.90	2022.7.14	2025.7.14		32,848		-
	Shinhan Bank	USD 100	1,305.90	2022.7.14	2025.7.14		16,492		-
	KDB	USD 200	1,233.40	2023.1.26	2025.1.26		48,769		-
	Shinhan Bank	USD 100	1,233.40	2023.1.26	2026.1.26		23,807		-
	KDB	USD 100	1,233.40	2023.1.26	2026.1.26		23,928		-
	JP Morgan	USD 200	1,337.60	2023.9.25	2026.9.25		26,287		-
Shinhan Bank	USD 200	1,337.60	2023.9.25	2026.9.25		25,771		-	

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won and in millions of US dollars)

December 31, 2024						
Contractor	Contract amount	Contract exchange rate	Contract inception date	Contract maturity	Book amount	
					Assets	Liabilities
KDB	USD 400	1,337.60	2023.9.25	2028.9.25	39,389	-
Woori Bank	USD 200	1,337.60	2023.9.25	2028.9.25	19,699	-
DBS	USD 200	1,380.80	2024.7.2	2027.7.2	19,530	-
JP Morgan	USD 200	1,380.80	2024.7.2	2027.7.2	19,639	-
Shinhan Bank	USD 300	1,380.80	2024.7.2	2027.7.2	28,677	-
KB Kookmin Bank	USD 200	1,380.80	2024.7.2	2029.7.2	15,143	-
Woori Bank	USD 200	1,380.80	2024.7.2	2029.7.2	15,142	-
The Export-Import Bank of Korea	USD 200	1,380.80	2024.7.2	2029.7.2	15,113	-
IBK	USD 100	1,380.80	2024.7.2	2029.7.2	7,482	-
KDB	USD 100	1,380.80	2024.7.2	2029.7.2	7,507	-
KDB	USD 400	1,380.80	2024.7.2	2034.7.2	10,243	-
Woori Bank	USD 100	1,380.80	2024.7.2	2034.7.2	2,566	-

*Price risk*

The Group is exposed to equity securities price risk arises from investments held by the Group and classified in the consolidated interim statement of financial position as non-current financial assets. The Group's equity investments are publicly traded and are related to the NASDAQ (National Association of Securities Dealers Automated Quotations), NYSE (New York Stock Exchange), SZSE (Shenzhen Stock Exchange), HSI (Hang Seng Index), ASX (Australian Stock Exchange) and KOSPI index.

The table below summarizes the impact of increases/decreases of the listed stock price index on the Group's equity before tax effects as at March 31, 2025 and December 31, 2024. The analysis is based on the assumption that the equity index has increased/decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

	(in millions of Korean won)							
	March 31, 2025		December 31, 2024					
	10% Increase	10% Decrease	10% Increase	10% Decrease	10% Increase	10% Decrease	10% Increase	10% Decrease
NASDAQ	₩ 11,927	₩ (11,927)	₩ 15,609	₩ (15,609)				
ASX	532	(532)	885	(885)				
NYSE	77	(77)	236	(236)				
SZSE	6,119	(6,119)	6,943	(6,943)				
HSI	6,388	(6,388)	6,427	(6,427)				
KOSPI	26,198	(26,198)	32,615	(32,615)				
<b>Total</b>	<b>₩ 51,241</b>	<b>₩ (51,241)</b>	<b>₩ 62,715</b>	<b>₩ (62,715)</b>				

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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*Interest rate risk*

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate because of changes in future market interest rate. The interest rate risk mainly arises through floating rate deposits and borrowings. The objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty in interest rates fluctuations and net interest expense.

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

The table below summarizes the impact of increases/decreases of interest rate on the Group's interest income from deposits and interest expense on variable interest rate borrowings for the three-month periods ended March 31, 2025 and 2024. The analysis is based on the assumption that the interest rate has increased/decreased by 1% (100 basis points) with all other variables held constant.

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
	<b>1%p Increase</b>	<b>1%p Decrease</b>	<b>1%p Increase</b>	<b>1%p Decrease</b>
Interest income	₩ 6,061	₩ (6,061)	₩ 6,735	₩ (6,735)
Interest expense	(14,302)	14,302	(13,601)	13,601

The deposits exposed to the above interest rate risk are held for the purpose of meeting the short-term demand for cash as it is easily convertible to a determined amount of cash.

Also, the above borrowings are variable interest rate borrowings from KDB Bank and others, and the Group has entered into a currency interest rate swap contract amounting to USD 660 million (equivalent to ₩ 967,890 million) to hedge interest rate risk of variable interest rate borrowings.

*(b) Credit risk*

Credit risk arises from trade receivables and contract assets that the Group holds, as well as debt instruments at amortized cost.

*Trade receivables and contract assets*

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at March 31, 2025, is as follows. Expected credit losses include forward-looking information.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

(in millions of Korean won)		Receivables					
	Receivables not past due <sup>1</sup>		past due but not impaired <sup>1</sup>		Impaired receivables <sup>2</sup>		Total
<b>March 31, 2025</b>							
Gross carrying amount– trade receivables	₩	8,605,375	₩	357,087	₩	2,049	₩ 8,964,511
Gross carrying amount – contract assets		59,909		-		-	59,909
Expected loss rate		0.0%		0.0%		55.9%	0.0%
Loss allowance provision	₩	1,846	₩	18	₩	1,145	₩ 3,009
<b>December 31, 2024</b>							
Gross carrying amount– trade receivables	₩	8,352,072	₩	207,352	₩	1,643	₩ 8,561,067
Gross carrying amount – contract assets		77,237		-		-	77,237
Expected loss rate		0.0%		0.3%		34.7%	0.0%
Loss allowance provision	₩	1,270	₩	594	₩	571	₩ 2,435

<sup>1</sup> Note 7.(3) for aging analysis.

<sup>2</sup> Impaired receivables are those for which impairment indicators have been confirmed, such as significant lack of collectability.

Movements in the loss allowance provision for trade receivables and contract assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in millions of Korean won)

	Trade receivables & contract assets	
	March 31, 2025	December 31, 2024
<b>Beginning balance</b>	₩ 2,435	₩ 2,810
Reversal of loss allowance recognized in profit or loss	1,236	(262)
Receivables written off as uncollectible	(591)	(119)
Exchange differences	(71)	6
<b>Ending balance</b>	₩ 3,009	₩ 2,435

As at March 31, 2025, the carrying amount of trade receivables representing the maximum exposure to credit risk amounts to ₩ 8,961,502 million (December 31, 2024: ₩ 8,558,632 million), and the carrying amount of contract assets amounts to ₩ 59,909 million (December 31, 2024: ₩ 77,237 million).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

*Other financial assets at amortized cost*

Other financial assets at amortized cost include other receivables, other non-current receivables and others. Movements in loss allowance provision for other financial assets at amortized cost for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

*(in millions of Korean won)*

	Other receivables			
	March 31, 2025		December 31, 2024	
<b>Beginning balance</b>	₩	628	₩	628
Reversal of loss allowance recognized in profit or loss		-		-
Receivables written off as uncollectible		-		-
<b>Ending balance</b>	₩	628	₩	628

All of the financial assets at amortized costs are considered to have low credit risk, and the loss allowance recognized during the period was, therefore, limited to 12 months expected losses.

The Group has established the following policies and procedures to manage credit risks.

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

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

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

*(c) Liquidity risk*

Finance team of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. When predicting liquidity, considerations are taken into account from external regulations or legal requirements such as funding plans of consolidation units, compliance with agreements, internal target financial ratios within consolidation units, and restrictions related to currency.

The Group entered into supplier finance arrangements with financial institutions. These financial institutions are in a sound financial position, and the Group does not face significant liquidity risk concentration with these institutions.

The table below categorizes the financial liabilities of consolidation units based on the remaining period from the end of the reporting period to the contract maturity date. The cash flows presented



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

in the table are amounts not discounted as present value and include the cash flows related to interest expenses.

(in millions of Korean won)

	March 31, 2025			
	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
Non-derivative financial instruments				
Borrowings (excluding lease liabilities)	₩ 9,684,266	₩ 5,825,245	₩ 13,231,479	₩ 3,845,180
Lease liabilities	169,817	113,990	232,778	526,144
Trade and other payables <sup>1</sup>	9,813,035	36,550	5,428	73
	<u>19,667,118</u>	<u>5,975,785</u>	<u>13,469,685</u>	<u>4,371,397</u>
Derivative instruments				
Gross settlement currency forwards and swaps				
(Inflows)	(1,305,746)	(1,478,571)	(3,905,997)	(1,492,622)
Outflows	1,116,794	1,231,023	3,499,283	1,275,391
	<u>(188,952)</u>	<u>(247,548)</u>	<u>(406,714)</u>	<u>(217,231)</u>
	<u>₩ 19,478,166</u>	<u>₩ 5,728,237</u>	<u>₩ 13,062,971</u>	<u>₩ 4,154,166</u>

(in millions of Korean won)

	December 31, 2024			
	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
Non-derivative financial instruments				
Borrowings (excluding lease liabilities)	₩ 9,026,717	₩ 5,876,892	₩ 11,409,419	₩ 4,151,696
Lease liabilities	177,509	154,278	188,741	532,812
Trade and other payables <sup>1</sup>	10,706,201	19,829	11,109	128
	<u>19,910,427</u>	<u>6,050,999</u>	<u>11,609,269</u>	<u>4,684,636</u>
Derivative instruments				
Gross settlement currency forwards and swaps				
(Inflows)	(1,427,569)	(1,787,930)	(3,915,846)	(1,504,913)
Outflows	1,204,261	1,485,061	3,499,596	1,281,824
	<u>(223,308)</u>	<u>(302,869)</u>	<u>(416,250)</u>	<u>(223,089)</u>
	<u>₩ 19,687,119</u>	<u>₩ 5,748,130</u>	<u>₩ 11,193,019</u>	<u>₩ 4,461,547</u>

<sup>1</sup> As at March 31, 2025, the amount paid by reverse factoring arrangement includes ₩ 610,736 million, which actual maturity has been extended. The balance of reverse factoring arrangement as at December 31, 2024 was ₩ 439,604 million.

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

Although not included in the above cash flow, the agreement is made to purchase additional shares of LG Toray Hungary Battery Separator Kft. in accordance with the agreed price calculation method (Note 18). Additionally, during the year ended December 31, 2024, the Group issued exchangeable bonds that allow issuers and investors to exercise their early redemption rights (Note 14).

As at March 31, 2025 and December 31, 2024, the Group has entered into swap contracts for which cash flow hedge accounting is applied, to avoid market price fluctuation of raw materials.

(in millions of Korean won)	Purpose of the contracts	Hedged items	Financial institution	Maturity	March 31, 2025		December 31, 2024	
					Assets	Liabilities	Assets	Liabilities
Merchandise (raw materials) swap <sup>1</sup>	Cash flow hedge	Non-ferrous metal	Citi Bank and others	2027.12	₩ 608	₩ 870	₩ 64	₩ 1,594

<sup>1</sup> Gain (loss) resulting from the contracts to avoid cash flow fluctuation risk of expected future transaction is accounted for as accumulated other comprehensive income, which corresponds to an effective portion of the hedges.

### 3.2 Capital Risk Management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

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

The gearing ratio and debt-to-equity ratio as at March 31, 2025 and December 31, 2024, were as follows:

(in millions of Korean won, except for ratios)	March 31, 2025		December 31, 2024	
Total borrowings (Note 14) (A)	₩	29,402,731	₩	27,376,097
Less: cash and cash equivalents (B)		(6,949,979)		(7,854,877)
Net debt (C=A+B)		22,452,752		19,521,220
Total liabilities (D)		46,984,296		45,862,299
Total equity (E)		48,106,334		47,995,463
Total capital (F=C+E)		70,559,086		67,516,683
Gearing ratio (C/F)		31.8%		28.9%
Debt-to-equity ratio (D/E)		97.7%		95.6%

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**3.3 Fair Value**

Carrying amount and fair value of financial instruments by category as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)

	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets (current)</b>				
Cash and cash equivalents	₩ 6,949,979	1	₩ 7,854,877	1
Deposits held by financial institutions	343,450	1	213,473	1
Trade receivables	8,783,145	1	8,166,047	1
Other receivables (excluding deposits held by financial institutions)	722,335	1	903,886	1
Other current financial assets				
Current derivative financial assets (currency forward)	454	454	42	42
Current derivative financial assets (excluding currency forward)	160,636	160,636	188,578	188,578
Current derivative financial assets (currency swap)	31,151	31,151	31,225	31,225
Current derivative financial assets (purchase of interests)	970	1	-	-
<b>Financial assets (non-current)</b>				
Deposits held by financial institutions	272,427	1	272,457	1
Trade receivables	178,356	1	392,585	1
Other receivables (excluding deposits held by financial institutions)	146,467	1	178,078	1
Other non-current financial assets				
Marketable financial assets (excluding derivative financial assets)	538,988	538,988	677,742	677,742
Non-marketable financial assets <sup>3</sup>	1,075,819	1,075,819	1,031,232	1,031,232
Non-current derivative financial assets (currency forward)	130,226	130,226	118,088	118,088
Non-current derivative financial assets (excluding currency forward)	1,728	1,728	22	22
Non-current derivative financial assets (currency swap)	586,372	586,372	581,692	581,692
Non-current derivative financial assets (purchase of interests)	31,067	31,067	31,141	31,141
<b>Financial liabilities (current)</b>				
Trade and other payables	9,633,527	1	10,706,200	1
Current borrowings (excluding lease liabilities/ exchangeable bond)	6,015,051	1	5,018,619	1
Current borrowings (exchangeable bond)	2,479,822	2,598,095	2,461,344	2,532,310
Current lease liabilities	138,998	2	141,096	2
<b>Other current financial liabilities</b>				
Current derivative financial liabilities (currency forward)	683	683	1,159	1,159

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	March 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Current derivative financial liabilities (right of exchange/option)	289,824	289,824	351,110	351,110
<b>Financial liabilities (non-current)</b>				
Non-current borrowings (excluding lease liabilities)	20,024,605	20,448,805	18,981,381	19,352,223
Non-current lease liabilities	744,255	<sup>2</sup>	773,657	<sup>2</sup>
Other non-current payables	42,051	<sup>1</sup>	31,065	<sup>1</sup>
<b>Other non-current financial liabilities</b>				
Non-current derivative financial liabilities (excluding currency forward)	187	187	435	435
Financial liabilities at amortized cost	1,248,392	<sup>1</sup>	1,000,200	<sup>1</sup>
Non-current derivative financial liabilities (purchase of interests)	42,362	42,362	42,464	42,464

<sup>1</sup> These financial assets and liabilities are not included in the disclosure above as their carrying amount is a reasonable approximation of the fair value.

<sup>2</sup> Fair values for these financial assets and liabilities are not disclosed above in accordance with related Korean IFRS.

<sup>3</sup> Including some unmarketable financial assets for which acquisition cost is used as the best estimate of fair value.

Fair value for measurement and disclosure are determined based on the following method:

The fair value of financial liabilities was calculated by applying the following discount rate to the nominal value of expected future outflow cash flows.

Discount rate	March 31, 2025	December 31, 2024	Remark
Non-current borrowings (excluding lease liabilities/ exchangeable bond)	2.88% ~ 3.97%	3.07% ~ 4.12%	Yield of won debenture with credit rating (AA+) and others
Current borrowings (Exchangeable Bond)	4.48% / 4.58%	5.04% / 5.20%	Yield of foreign currency debenture equal to the maturity of the evaluation target

*Fair value hierarchy*

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

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

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Fair value hierarchy of the financial instruments that are either measured at fair value or their fair values are disclosed for as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)	March 31, 2025						
	Level 1		Level 2		Level 3		Total
<b>Financial assets/liabilities measured at fair value</b>							
Other non-current financial assets (marketable financial assets)	₩	538,988	₩	-	₩	-	₩ 538,988
Other non-current financial assets (non-marketable financial assets) <sup>1</sup>		-		-		1,075,819	1,075,819
Current derivative financial assets (excluding currency forward)		-		454		-	454
Current derivative financial assets (currency swap)		-		160,636		-	160,636
Current derivative financial assets (purchase of interests)		-		-		31,151	31,151
Non-current derivative financial assets (currency forward)		-		130,226		-	130,226
Non-current derivative financial assets (excluding currency forward)		-		1,728		-	1,728
Non-current derivative financial assets (currency swap)		-		586,372		-	586,372
Non-current derivative financial assets (put- option)		-		-		31,067	31,067
Current derivative financial liabilities (excluding currency forward)		-		683		-	683
Current derivative financial liabilities (right of exchange/option)		-		-		289,824	289,824
Non-current derivative financial liabilities (excluding currency forward)		-		187		-	187
Non-current derivative financial liabilities (purchase of interests)		-		-		42,362	42,362
<b>Financial assets/liabilities not measured at fair value</b>							
Current borrowings (exchangeable bond)		-		-		2,598,095	2,598,095
Non-current borrowings (excluding lease liabilities)		-		-		20,448,805	20,448,805

<i>(in millions of Korean won)</i>	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets/liabilities measured at fair value</b>				
Other non-current financial assets (marketable financial assets)	₩ 677,742	₩ -	₩ -	₩ 677,742
Other non-current financial assets (non-marketable financial assets) <sup>1</sup>	-	-	1,031,232	1,031,232
Current derivative financial assets (excluding currency forward)	-	42	-	42
Current derivative financial assets (currency swap)	-	188,578	-	188,578

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Current derivative financial assets				
(purchase of interests)	-	-	31,225	31,225
Non-current derivative financial assets				
(currency forward)	-	118,088	-	118,088
Non-current derivative financial assets				
(excluding currency forward)	-	22	-	22
Non-current derivative financial assets				
(currency swap)	-	581,692	-	581,692
Non-current derivative financial assets				
(put-option)	-	-	31,141	31,141
Current derivative financial liabilities				
(excluding currency forward)	-	1,159	-	1,159
Current derivative financial liabilities				
(right of exchange/option)	-	-	351,110	351,110
Non-current derivative financial liabilities				
(excluding currency forward)	-	435	-	435
Non-current derivative financial liabilities				
(purchase of interests)	-	-	42,464	42,464
<b>Financial assets/liabilities</b>				
<b>not measured at fair value</b>				
Current borrowings (exchangeable				
bond)	-	-	2,532,310	2,532,310
Non-current borrowings (excluding lease				
liabilities)	-	-	19,352,223	19,352,223

<sup>1</sup> Acquisition costs of a part of these financial assets approximate their fair values. For fair values measured by using other methods, see Valuation technique and the inputs.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

*Valuation technique and the inputs*

Valuation techniques and inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)		March 31, 2025			
	Fair value	Level	Valuation Technique	Inputs	Coverage of Level 3 inputs
Current derivative financial assets (purchase of interests)	31,151	3	Monte Carlo Simulation	Stock volatility of underlying assets	47.76%
				Stock price correlation coefficient	25.85%
				Volatility of financial indicators	20.94%
Non-current derivative financial assets (put- option)	31,067	3	Binominal option-pricing model	Volatility	47.83%
				Risk-free rate	3.63%
Non-current derivative financial liabilities (purchase of interests)	42,362	3	Monte Carlo Simulation	Stock volatility of underlying assets	47.76%
				Stock price correlation coefficient	25.85%
				Volatility of financial indicators	20.94%
Other non-current financial assets (non-listed shares and compound financial instruments)	370,947	3	Binominal option-pricing model	Volatility	68.13% and others
	19,442	3	Hull&White/ LSMC	Stock price of underlying assets	₩ 7,439 (in Korean won)
				Risk-free rate	2.65%
				Discount rates	20.85%
				Volatility	28.39%
	46,590	3	Market approach	-	-
	95,330	3	Discounted cash flows model	Discount rates	13.41% and others
	227,600	3	Adjusted net asset method	-	-
Current financial liabilities (right of exchange/ option)	289,824	3	Binominal option-pricing model	Stock price of underlying assets	₩ 334,500 (in Korean won)
				Risk-free rate	4.00% / 4.17%
				Risk rate	4.48% / 4.58%
				Volatility	41.11%

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

**December 31, 2024**

	<b>Fair value</b>	<b>Level</b>	<b>Valuation Technique</b>	<b>Inputs</b>	<b>Coverage of Level 3 inputs</b>
Current derivative financial assets (purchase of interests)	31,225	3	Monte Carlo Simulation	Stock volatility of underlying assets Stock price correlation coefficient Volatility of financial indicators	47.76% 25.85% 20.94%
Non-current derivative financial assets (put-option)	31,141	3	Binominal option-pricing model	Volatility Risk-free rate	47.83% 3.63%
Non-current derivative financial liabilities (purchase of interests)	42,464	3	Monte Carlo Simulation	Stock volatility of underlying assets Stock price correlation coefficient Volatility of financial indicators	47.76% 25.85% 20.94%
Other non-current financial assets (non-listed shares and compound financial instruments)	362,581	3	Binominal option-pricing model	Volatility	68.13% and others
	19,442	3	Hull&White/LSMC	Stock price of underlying assets Risk-free rate Discount rates Volatility	₩ 7,439 (in Korean won) 2.65% 20.85% 28.39%
	45,787	3	Market approach	-	-
	95,317	3	Discounted cash flows model	Discount rates	13.41% and others
	213,802	3	Adjusted net asset method	-	-
Current financial liabilities (right of exchange/ option)	351,110	3	Binominal option-pricing model	Stock price of underlying assets Risk-free rate Risk rate Volatility	₩ 348,000 (in Korean won) 4.51% / 4.74% 5.04% / 5.20% 40.86%



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**4. Critical Accounting Estimates and Assumptions**

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

Significant accounting estimates and assumptions applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2024, except for the estimates used to determine income tax expense.

**5. Financial Instruments by Category**

Categorizations of financial instruments as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)

	March 31, 2025					Total
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Other financial assets <sup>1</sup>		
<b>Financial assets</b>						
Cash and cash equivalents	₩ 6,949,979	₩ -	₩ -	₩ -	₩ -	6,949,979
Trade receivables	8,299,143	-	484,002	-	-	8,783,145
Non-current trade receivables	178,356	-	-	-	-	178,356
Other receivables	1,065,784	-	-	-	-	1,065,784
Other non-current receivables	418,894	-	-	-	-	418,894
Other current financial assets	970	191,787	-	454	-	193,211
Other non-current financial assets	-	1,626,379	737,666	154	-	2,364,199
<b>Total</b>	₩ 16,913,126	₩ 1,818,166	₩ 1,221,668	₩ 608	₩ -	19,953,568

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2025 and 2024 (Unaudited), and December 31, 2024

(in millions of Korean won)

March 31, 2025

	Financial liabilities at amortized cost		Financial liabilities at fair value through profit or loss		Other financial liabilities <sup>2</sup>		Total
<b>Financial liabilities</b>							
Trade payables	₩	3,924,982	₩	-	₩	-	₩ 3,924,982
Other payables		5,706,451		-		-	5,706,451
Borrowings (current)		8,374,061		-		259,810	8,633,871
Other current liabilities (dividend payable)		179,508		-		-	179,508
Other current financial liabilities		-		289,824		683	290,507
Other non-current financial liabilities		1,248,392		42,362		187	1,290,941
Other non-current payables		42,051		-		-	42,051
Borrowings (non-current)		20,024,605		-		744,255	20,768,860
<b>Total</b>	₩	39,500,050	₩	332,186	₩	1,004,935	₩ 40,837,171

(in millions of Korean won)

December 31, 2024

	Financial assets at amortized cost		Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Other financial assets <sup>1</sup>		Total
<b>Financial assets</b>									
Cash and cash equivalents	₩	7,854,877	₩	-	₩	-	₩	-	₩ 7,854,877
Trade receivables		7,652,903		-		513,144		-	8,166,047
Non-current trade receivables		392,585		-		-		-	392,585
Other receivables		1,117,359		-		-		-	1,117,359
Other non-current receivables		450,535		-		-		-	450,535
Other current financial assets		-		219,803		-		42	219,845
Other non-current financial assets		-		1,586,194		853,701		22	2,439,917
<b>Total</b>	₩	17,468,259	₩	1,805,997	₩	1,366,845	₩	64	₩ 20,641,165

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of  
Korean won)

	December 31, 2024				
	Financial liabilities at amortized cost		Financial liabilities at fair value through profit or loss		Other financial liabilities <sup>2</sup>
					Total
<b>Financial liabilities</b>					
Trade payables	₩	3,681,898	₩	-	₩ -
Other payables		7,021,473		-	-
Borrowings (current)		7,457,043		-	164,016
Other current financial liabilities		-		351,110	1,159
Other non-current financial liabilities		1,000,200		42,464	435
Other non-current payables		31,065		-	-
Borrowings (non-current)		18,981,381		-	773,657
<b>Total</b>	₩	<b>38,173,060</b>	₩	<b>393,574</b>	₩ <b>939,267</b>
					₩ <b>39,505,901</b>

<sup>1</sup> Other financial assets include derivative assets that are not subject to the categorizations.

<sup>2</sup> Other financial liabilities include lease liabilities, derivative liabilities and negotiated borrowings that are not subject to the categorizations.

*(b) Liabilities under supplier finance arrangements*

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts that the Group owes its suppliers and the Group agreeing to pay finance providers according to the terms and conditions of the arrangements at a date later than, when suppliers are paid. These arrangements provide the Group with extended payment terms, or the Group's suppliers with early payment terms, compared to the related invoice payment due date.

Supplier finance arrangements as at March 31, 2025 and December 31, 2024, as follows:

(in millions of Korean won)	Accounts in financial statements	March 31, 2025		December 31, 2024	
Shipper's Usance <sup>1</sup>	Trade payables	₩	50,159	₩	18,067
Reverse factoring arrangement <sup>2</sup>	Other payables		610,736		439,604
B2B purchase arrangements <sup>3</sup>	Trade payables		172,686		172,211
B2B purchase arrangements <sup>3</sup>	Other payables		315,297		394,694

<sup>1</sup> Under the Shipper's Usance arrangement, financial institutions acquire rights to specific trade receivables from suppliers. The payment due would not be changed due to this arrangement, and since the terms of the liability have not substantially changed, it is determined appropriate to continue recognizing the related amount as trade payables on the statements of financial position. In the statements of cash flows, the Group is not considered a part of the supplier finance arrangement in the cash flows between the financial institutions and the suppliers. As the substantive terms of the trade payables have not changed, the Group considers the payment was made in the ordinary course of business. Accordingly, cash flows occur when the Group subsequently makes payment to the financial institution, and this is presented as a cash outflow from operating activities.

<sup>2</sup> In accordance with reverse factoring arrangement, financial institutions acquire rights to specific trade receivables from suppliers. The payment due has been extended due to this arrangement,

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

and since the terms of the liability have substantially changed, the related amount is recognized as financial liabilities in the statements of financial position, and previous liabilities are derecognized at the time of assumption of debt by financial institutions. In the statements of cash flows, the Group considers that financial institutions settle payments on behalf of the Group.

However, when financial institutions pay the suppliers, the Group is considered not a party to the cash flows and discloses the payment as a non-cash transaction. When the Group subsequently pays to financial institutions, it is presented in cash outflow from investing activities.

<sup>3</sup> According to the B2B corporate purchase agreement, the financial institution acquires rights to specific accounts receivable from the supplier. This agreement does not alter the payment date or substantially change the terms of the debt. Therefore, it is appropriate to continue displaying the related amounts in other payables on the balance sheet. In the cash flow statement, the consolidated company determined it is not a party to the cash flow between the financial institution and the supplier. Since the substantial terms of other payables remain unchanged, this is considered a normal business payment. Consequently, cash flow is recognized when the consolidated company makes subsequent payments to the financial institution, recorded as an outflow of cash from operating activities

There have been no significant changes affecting the liabilities under the supplier financing arrangement. These liabilities are considered short-term and their book value is regarded as a reasonable approximation of fair value.

Net gains or losses on each category of financial instruments for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Dividend income</b>		
Financial assets at fair value through other comprehensive income	₩ 2,937	₩ -
<b>Impairment losses (reversal)</b>		
Financial assets at amortized cost	1,236	(64)
<b>Interest income</b>		
Financial assets at amortized cost	85,580	98,761
<b>Interest expense</b>		
Financial liabilities at amortized cost	(284,111)	(231,422)
Other financial liabilities	(7,851)	(3,493)
Financial assets at amortized cost <sup>1</sup>	(744)	(84)
<b>Gain (loss) on valuation and disposal</b>		
Financial assets at fair value through profit or loss	7,131	22,717
Financial assets at fair value through other comprehensive income	(121,649)	(23,450)
Derivative instruments	112,417	313,248
<b>Exchange differences</b>		
Financial assets at amortized cost	(85,386)	298,862
Financial liabilities at amortized cost	169,285	(419,011)
Other financial liabilities	(6,828)	-

<sup>1</sup> Fees paid to financial institutions for factoring.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**6. Cash and Cash Equivalents**

Details of cash and cash equivalents as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
Bank deposits and cash on hand	₩	2,945,479	₩	3,896,775
Deposits held by financial institutions and others		4,004,500		3,958,102
<b>Total</b>	₩	<u>6,949,979</u>	₩	<u>7,854,877</u>

As at March 31, 2025, cash and cash equivalents include ₩ 49,628 million (December 31, 2024: ₩ 1,212,371 million), which is subject to a restriction on the use in association with the national R&D projects.

**7. Trade and Other Receivables**

Trade and other receivables and its provisions for impairment as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>		<b>March 31, 2025</b>		
		<b>Gross amount</b>	<b>Provision for impairment</b>	<b>Carrying amount</b>
Trade receivables	₩	8,786,154	₩ (3,009)	₩ 8,783,145
Non-current trade receivables		178,356	-	178,356
Other current receivables		1,066,413	(628)	1,065,785
Other non-current receivables		418,894	-	418,894
<b>Total</b>	₩	<u>10,449,817</u>	₩ <u>(3,637)</u>	₩ <u>10,446,180</u>

<i>(in millions of Korean won)</i>		<b>December 31, 2024</b>		
		<b>Gross amount</b>	<b>Provision for impairment</b>	<b>Carrying amount</b>
Trade receivables	₩	8,168,482	₩ (2,435)	₩ 8,166,047
Non-current trade receivables		392,585	-	392,585
Other current receivables		1,117,987	(628)	1,117,359
Other non-current receivables		450,535	-	450,535
<b>Total</b>	₩	<u>10,129,589</u>	₩ <u>(3,063)</u>	₩ <u>10,126,526</u>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

1. Details of other receivables as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Current</b>				
Non-trade receivables	₩	629,009	₩	851,737
Deposits held by financial institutions <sup>1</sup>		343,450		213,473
Accrued income		20,502		9,012
Guarantee deposits provided		72,824		43,137
		<u>1,065,785</u>		<u>1,117,359</u>
<b>Non-current</b>				
Non-trade receivables		40,361		40,623
Deposits held by financial institutions <sup>1</sup>		272,427		272,457
Loans		15,535		15,673
Guarantee deposits provided		90,571		121,782
		<u>418,894</u>		<u>450,535</u>
<b>Total</b>	₩	<u>1,484,679</u>	₩	<u>1,567,894</u>

<sup>1</sup> As at March 31, 2025, ₩ 140,770 million of the current portion of deposits held by financial institutions are restricted for use under agreements such as the US Department of Energy policy fund borrowing agreement. As at March 31, 2025, ₩ 266,100 million (December 31, 2024: ₩ 266,100 million) of the non-current portion of deposits held by financial institutions are restricted for use under agreements such as the Co-Growth Cooperation Agreement between large and small-medium enterprises. Additionally, ₩ 140 million (December 31, 2024: ₩ 138 million) is restricted as a deposit for opening a checking account. Also, PLN 1 million is withdrawal restricted in relation to overseas transportation of hazardous waste and USD 4 million is restricted for use as collateral for the issuance of LOC.

The aging analysis of trade and other receivables as at March 31, 2025 and December 31, 2024, is as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Trade receivables</b>	<b>Other receivables</b>
<b>Receivables not past due</b>	₩ 8,605,375	₩ 1,437,498	₩ 8,352,072	₩ 1,564,851
<b>Past due but not impaired</b>	357,087	47,181	207,352	3,043
Up to 3 months	314,491	41,082	189,570	55
Between 3-6 months	41,397	3,485	17,414	676
Over 6 months	1,199	2,614	369	2,312
<b>Impaired receivables</b>	<u>2,049</u>	<u>628</u>	<u>1,643</u>	<u>628</u>
<b>Total</b>	₩ <u>8,964,511</u>	₩ <u>1,485,307</u>	₩ <u>8,561,067</u>	₩ <u>1,568,522</u>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Movements on the provision for impairment of trade and other receivables for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in millions of Korean won)

		March 31, 2025			
		Trade receivables		Other receivables	
		Current	Non-current	Current	Non-current
<b>Beginning balance</b>	₩	2,435	₩ -	₩ 628	₩ -
Reversal		1,236	-	-	-
Write-off		(591)	-	-	-
Exchange differences		(71)	-	-	-
<b>Ending balance</b>	₩	<u>3,009</u>	₩ -	₩ 628	₩ -

(in millions of Korean won)

		December 31, 2024			
		Trade receivables		Other receivables	
		Current	Non-current	Current	Non-current
<b>Beginning balance</b>	₩	2,810	₩ -	₩ 628	₩ -
Reversal		(262)	-	-	-
Write-off		(119)	-	-	-
Exchange differences		6	-	-	-
<b>Ending balance</b>	₩	<u>2,435</u>	₩ -	₩ 628	₩ -

As at March 31, 2025 and December 31, 2024, the carrying amounts of trade and other receivables are approximation of their fair values.

The Group transferred trade receivables to financial institutions and derecognized the trade receivables from the financial statements at the date of disposal, as substantial all the risks and rewards were transferred and as at March 31, 2025, the balance of transferred trade receivables is ₩ 20,000 million (December 31, 2024: ₩ 82,645 million).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**8. Other Financial Assets and Liabilities**

Details of other financial assets and liabilities as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Other financial assets</b>		
Other financial assets at amortized cost	₩ 970	-
Financial assets at fair value through other comprehensive income (derivative instruments) (current)	454	₩ 42
Financial assets at fair value through profit or loss (derivative instruments) (current)	191,787	219,803
Financial assets at fair value through other comprehensive income (derivative instruments) (non-current)	154	22
Financial assets at fair value through other comprehensive income (excluding derivative instruments) (non-current)	737,666	853,701
Financial assets at fair value through profit or loss (derivative instruments) (non-current)	749,238	730,921
Financial assets at fair value through profit or loss (excluding derivative instruments) (non-current)	877,141	855,273
	<u>2,557,410</u>	<u>2,659,762</u>
<b>Other financial liabilities</b>		
Financial guarantee contracts	-	-
Financial liabilities at fair value through other comprehensive income (derivative instruments) (current)	683	1,159
Financial liabilities at fair value through profit or loss (derivative instruments) (current)	289,824	351,110
Financial liabilities at fair value through other comprehensive income (derivative instruments) (non-current)	187	435
Financial liabilities at fair value through profit or loss (derivative instruments) (non-current)	42,362	42,464
Financial liabilities at amortized cost (non-current)	1,248,392	1,000,200
	<u>₩ 1,581,448</u>	<u>₩ 1,395,368</u>



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Changes in equity and debt instruments included in other financial assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Beginning balance</b>	₩	1,708,974	₩	1,022,110
Acquisitions / transfer		54,081		489,741
Disposals		(39,328)		(65,959)
Gain (Loss) on valuation through other comprehensive income (before income tax effects)		(121,649)		179,103
Gain on valuation through profit or loss		7,130		61,314
Exchange differences on translation of foreign currency		6,569		22,665
<b>Ending balance</b>	₩	<u>1,615,777</u>	₩	<u>1,708,974</u>

<sup>1</sup> The Group has entered into a Put-Option agreement regarding its equity investment for Volta Energy Solutions S.a.r.l for the purpose of guaranteeing the principal amount of investments. The main conditions of the Put-Option agreement are as follows:

<b>Category</b>	<b>Details</b>
<b>Exercise date</b>	For three years from the date on which three years lapse since it was acquired (Date of initial investment: January 27, 2021)
<b>Exercise price</b>	Investment amount deducting dividends (received from the time of investment to the time of exercise) from the investment
<b>Other conditions</b>	Put option cannot be exercised in case Volta Energy Solutions S.a.r.l is listed

During the three-month period ended March 31, 2025 and for the year ended December 31, 2024, the Group did not recognize impairment for other financial assets.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**9. Inventories**

Details of inventories as at March 31, 2025 and December 31, 2024, are as follows:

*(in millions of Korean won)*

	<b>March 31, 2025</b>		
	<b>Gross amount</b>	<b>Provision for impairment</b>	<b>Carrying amount</b>
Merchandise	₩ 401,006	₩ (39,016)	₩ 361,990
Finished / Semi-finished products	4,342,062	(272,765)	4,069,297
Work-in-process	26,879	-	26,879
Raw materials	2,509,232	(40,504)	2,468,728
Supplies	371,244	(14,494)	356,750
Goods-in-transit	1,245,102	-	1,245,102
<b>Total</b>	<b>₩ 8,895,525</b>	<b>₩ (366,779)</b>	<b>₩ 8,528,746</b>

*(in millions of Korean won)*

	<b>December 31, 2024</b>		
	<b>Gross amount</b>	<b>Provision for impairment</b>	<b>Carrying amount</b>
Merchandise	₩ 396,041	₩ (41,053)	₩ 354,988
Finished / Semi-finished products	4,932,630	(333,607)	4,599,023
Work-in-process	26,227	-	26,227
Raw materials	2,417,233	(40,635)	2,376,598
Supplies	361,917	(7,776)	354,141
Goods-in-transit	1,136,456	-	1,136,456
<b>Total</b>	<b>₩ 9,270,504</b>	<b>₩ (423,071)</b>	<b>₩ 8,847,433</b>

During the three-month period ended March 31, 2025, the cost of inventories recognized as expense and included in 'cost of sales' amounted to ₩ 7,393,095 million (December 31, 2024: ₩ 6,940,937 million).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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

Changes in investments in associates and joint ventures for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in millions of  
Korean won)

	March 31, 2025									
				Share of		Share of other				
	Beginning	Acquisitions		profit (loss)		comprehensive income of				Ending
	balance	/ transfer	Dividends	of		associates and joint	Reclassificat	Others		balance
				associates		ventures	ion due to			
				and joint		Exchange	the disposal			
				ventures		rate changes				
TECHWIN Co., Ltd.	₩ 16,075	₩ -	₩ -	₩ (441)	₩ -	₩ -	₩ -	₩ 10	₩	15,644
SEETEC Co., Ltd	141,694	-	(10,000)	2,792	-	-	-	-		134,486
LG Life Sciences Poland Ltd.	17	-	-	-	-	-	-	-		17
HUAJIN NEW ENERGY MATERIALS(QUZHOU ) CO., LTD.	91,415	-	-	1,174	198	-	-	-		92,787
Sam-a Aluminium Company, Limited	45,396	-	(38)	(444)	-	-	-	-		44,914
NEXPO Co., Ltd	3,831	2,375	-	(99)	-	-	-	-		6,107
Bricks Capital Management Global Battery Private Equity Fund I	13,163	261	-	44	-	-	-	-		13,468
TL Chemical CO., Ltd	50,934	-	-	(68)	-	-	-	-		50,866
LG Toray Hungary Battery Separator Kft.	499,309	-	-	(3,871)	16,677	-	-	-		512,115
KOREA PRECURSOR CO., LTD.	36,559	-	-	(2,257)	-	-	-	(12)		34,290
	₩ 898,393	₩ 2,636	₩ (10,038)	₩ (3,170)	₩ 16,875	₩ -	₩ -	₩ (2)	₩	904,694

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of

Korean won)

	December 31, 2024									
	Beginning balance		Acquisitions / transfer		Dividends		Share of profit (loss) of associates and joint ventures	Share of other comprehensive income (loss) of associates and joint ventures		Ending balance
								Exchange rate changes	Reclassification due to the disposal	
TECHWIN Co., Ltd.	₩	16,284	₩	-	₩	-	₩ (209)	₩	-	₩ 16,075
SEETEC Co., Ltd		138,148		-		(7,500)	11,452		-	141,694
LG Life Sciences Poland Ltd.		17		-		-	-		-	17
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.		79,383		-		-	3,552	8,480	-	91,415
PT.HLI Green Power <sup>1</sup>		162,273		-		-	(42,710)	15,209	(37,804)	-
Sam-a Aluminium Company, Limited		46,257		-		(150)	(711)	-	-	45,396
NEXPO Co., Ltd		2,186		1,900		-	(255)	-	-	3,831
Bricks Capital Management Global Battery Private Equity Fund I		12,843		5,762		-	(5,442)	-	-	13,163
TL Chemical CO., Ltd		49,203		-		-	1,731	-	-	50,934
LG Toray Hungary Battery Separator Kft.		451,408		-		-	18,728	29,173	-	499,309
KOREA PRECURSOR CO., LTD.		47,604		-		-	(11,001)	-	-	36,559
	₩	1,005,606	₩	7,662	₩	(7,650)	₩ (24,865)	₩ 52,862	₩ (37,804)	₩ 898,393

<sup>1</sup> During the year ended December 31, 2024, the Group reclassified PT. HLI Green Power from a joint venture to a subsidiary due to changes in the shareholder's agreement.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

The tables below provide a reconciliation of the summarized financial information presented to the carrying amount of its interest in the joint ventures or associates:

(in millions of  
Korean won)

		March 31, 2025					
	Net Asset (a)	Group's share in % (b)	Group's share in KRW (a x b)	Investment difference	Intercompany transactions, etc.	Carrying amount	
LG Toray Hungary Battery Separator Kft.	₩ 895,786	50	₩ 447,893	₩ 62,944	₩ 1,278	₩ 512,115	
SEETEC Co., Ltd	275,911	50	137,956	-	(3,470)	134,486	
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	189,316	49	92,765	-	22	92,787	

(in millions of  
Korean won)

		December 31, 2024					
	Net Asset (a)	Group's share in % (b)	Group's share in KRW (a x b)	Investment difference	Intercompany transactions, etc.	Carrying amount	
LG Toray Hungary Battery Separator Kft.	₩ 872,436	50	₩ 436,218	₩ 62,944	₩ 147	₩ 499,309	
SEETEC Co., Ltd	290,328	50	145,164	-	(3,470)	141,694	
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	186,952	49	91,607	-	(192)	91,415	

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**11. Property, Plant and Equipment**

Changes in property, plant and equipment for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Beginning balance</b>	₩	54,570,446	₩	38,950,393
Business combination (Note 37)		-		1,026,337
Acquisitions / transfer		3,819,534		24,492,838
Disposals / transfer		(894,796)		(8,734,080)
Exchange differences		206,491		3,432,353
Depreciation		(1,080,123)		(4,196,377)
Impairment		(5,423)		(383,088)
Impairment / reversal		1,453		-
Transfer to assets held for sale (Note 34)		-		(17,930)
<b>Ending balance</b>	₩	<u>56,617,582</u>	₩	<u>54,570,446</u>

During the three-month ended March 31, 2025, the Group capitalized ₩ 28,615 million of borrowing costs (2024: ₩ 38,593 million) in relation to acquisition of property, plant and equipment, on property, plant and equipment. The capitalization rate of borrowings used to determine the amount of borrowing costs eligible for capitalization is 3.53%~5.03% (2024: 4.06%).

Line items including depreciation in the consolidated income statements for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Cost of sales	₩	956,543	₩	861,886
Selling and administrative expenses		123,440		97,530
Others		-		15
Discontinued operations		140		6,406
<b>Total</b>	₩	<u>1,080,123</u>	₩	<u>965,837</u>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Details of property, plant and equipment provided as collateral as at March 31, 2025, is as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>				
	<b>Carrying amount</b>	<b>Secured amount</b>	<b>Related line item</b>	<b>Related amount</b>	<b>Secured party</b>
Buildings and others	₩ 135,253	₩ 378,000	Borrowings (Note 14)	₩ 283,000	KDB Bank DB INSURANCE CO.,LTD
Land	₩ 182	₩ 4,536	–	–	

<i>(in millions of Korean won)</i>	<b>December 31, 2024</b>				
	<b>Carrying amount</b>	<b>Secured amount</b>	<b>Related line item</b>	<b>Related amount</b>	<b>Secured party</b>
Buildings and others	₩ 135,601	₩ 378,000	Borrowings (Note 14)	₩ 283,000	KDB Bank DB INSURANCE CO.,LTD
Land	₩ 182	₩ 4,536	–	–	

**Leases**

*Amounts recognized in the consolidated statement of financial position*

Details of right-of-use assets in consolidated statement of financial position are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Right-of-use assets <sup>1</sup>		
Real estate	₩ 670,778	₩ 704,759
Machinery	239,488	241,212
Vehicles	34,497	32,930
Tools	4,229	4,563
Equipment	1,246	1,275
	<u>₩ 950,238</u>	<u>₩ 984,739</u>

<sup>1</sup> Included in the line item 'Property, plant and equipment' in the consolidated statements of financial position.

Additions to the right-of-use assets during the three-month period ended March 31, 2025, were ₩ 26,152 million (2024: ₩ 75,282 million).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

**March 31, 2025**

**December 31, 2024**

Lease liabilities<sup>1</sup>

Current	₩	138,998	₩	141,096
Non-current		744,255		773,657
	₩	883,253	₩	914,753

<sup>1</sup> Included in the line item 'Borrowings' in the consolidated statements of financial position.

*Amounts recognized in the consolidated income statements*

Lease related expenses recognized in the consolidated income statements for the three-month periods ended March 31, 2025 and 2024, are as follows:

(in millions of Korean won)

**2025**

**2024**

Depreciation of right-of-use assets

Real-estate	₩	24,251	₩	23,103
Machinery		874		1,626
Vehicles		5,655		5,695
Tools		334		291
Equipment		125		84
	₩	31,238	₩	30,799

Interest expense relating to lease liabilities  
(included in finance cost)

₩	7,851	₩	3,493
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Expense relating to short-term leases (included in cost  
of goods sold and administrative expenses)

11,566	9,030
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Expense relating to leases of low-value assets that are  
not short-term leases (included in cost of goods sold  
and administrative expenses)

4,468	4,757
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Total cash outflow for leases during the three-month period ended March 31, 2025, was ₩ 61,313 million (2024: ₩ 46,187 million).



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**12. Intangible Assets**

Changes in intangible assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Beginning balance</b>	₩	3,619,361	₩	3,692,922
Business combination (Note 37)		-		149,067
Acquisitions/ transfer		346,488		667,938
Disposals/ transfer		(78,649)		(160,392)
Exchange differences		2,601		160,402
Amortization		(137,916)		(482,229)
Impairment		(309)		(408,169)
Transfer to assets held for sale (Note 34)		-		(178)
<b>Ending balance</b>	₩	<u>3,751,576</u>	₩	<u>3,619,361</u>

Line items including amortization of intangible assets for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Cost of sales	₩	20,416	₩	21,378
Selling and administrative expenses		117,497		86,647
Discontinued operations		3		2,275
<b>Total</b>	₩	<u>137,916</u>	₩	<u>110,300</u>

*Research and development costs*

Total research and development costs recognized as expenses amounted to ₩ 574,988 million (2024: ₩ 521,903 million) for the three-month period ended March 31, 2025.

*Greenhouse gas emission*

Details of greenhouse gas emission permits included in other intangible assets are as follows:

*Greenhouse gas emission permits held for the purpose of fulfilling obligations*

The number of greenhouse gas emission permits received at free of charge for the 3rd planning period (2021 to 2025) is as follows:

<i>(in thousands of tons)</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
Allocation with nil consideration	10,167	10,504	9,073	9,220	9,217	48,181

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Changes in greenhouse gas emission permits during the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in thousands of tons and millions of Korean won)	March 31, 2025							
	2020		2021		2022		2023	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance								
/Allocation with nil consideration	8,666	₩ -	10,167	₩ -	10,504	₩ -	9,073	₩ -
Purchase/Sale	(69)	1,111	(339)	(20)	(788)	179	(614)	170
Exchange	100	-	(100)	-	-	-	-	-
Borrowings/Carry forwards between years	(49)	(388)	(392)	388	(769)	-	138	-
Surrendered to the government	(8,648)	(723)	(9,336)	(368)	(8,947)	(179)	(8,597)	(170)
Ending balance	-	₩ -	-	₩ -	-	₩ -	-	₩ -

(in thousands of tons and millions of Korean won)	March 31, 2025					
	2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance / Allocation with nil consideration	9,220	₩ -	9,217	₩ -	56,847	₩ -
Purchase/Sale	(218)	-	-	-	(2,028)	1,440
Exchange	-	-	-	-	-	-
Borrowings/Carry forwards between years	1,071	-	-	-	(1)	-
Surrendered to the government	-	-	-	-	(35,528)	(1,440)
Ending balance	10,073	₩ -	9,217	₩ -	19,290	₩ -

(in thousands of tons and millions of Korean won)	December 31, 2024							
	2020		2021		2022		2023	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance								
/Allocation with nil consideration	8,666	₩ -	10,167	₩ -	10,504	₩ -	9,073	₩ -
Purchase/Sale	(69)	1,111	(339)	(20)	(788)	179	(614)	171
Exchange	100	-	(100)	-	-	-	-	-
Borrowings/Carry forwards between years	(49)	(388)	(392)	388	(769)	-	138	-
Surrendered to the government	(8,648)	(723)	(9,336)	(368)	(8,947)	(179)	(8,597)	(171)
Ending balance	-	₩ -	-	₩ -	-	₩ -	-	₩ -

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in thousands of tons and millions of Korean won)	December 31, 2024					
	2024		2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance /						
Allocation with nil consideration	9,220	₩ -	9,217	₩ -	56,847	₩ -
Purchase/Sale	(106)	-	-	-	(1,916)	1,441
Exchange	-	-	-	-	-	-
Borrowings/Carry forwards between years	1,074	-	-	-	2	-
Surrendered to the government	-	-	-	-	(35,528)	(1,441)
Ending balance	10,188	₩ -	9,217	₩ -	19,405	₩ -

During the three-month period ended March 31, 2025 and for the year ended December 31, 2024, there are no greenhouse gas emission permits held for short-term trading purpose.

Details of Greenhouse gas emission permits included in other intangible assets of consolidated financial statements regarding the EU ETS (Emissions Trading System) for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in thousands of tons, in millions of Korean won)	March 31, 2025		December 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Beginning balance</b>	112	₩ 11,568	153	₩ 13,809
Increase	18	2,834	74	6,120
Used	-	-	(115)	(8,361)
<b>Ending balance</b>	130	₩ 14,402	112	₩ 11,568

**13. Other Current and Non-current Assets**

Details of other current and non-current assets as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)	March 31, 2025		December 31, 2024	
<b>Current</b>				
Prepayments to suppliers and prepaid expenses	₩	438,920	₩	498,795
Prepaid value added tax		239,527		324,994
Others		725,272		658,984
<b>Total</b>	₩	1,403,719	₩	1,482,773
<b>Non-current</b>				
Net defined benefit assets	₩	165,822	₩	217,048
Long-term prepayments and long-term prepaid expenses		258,320		489,914
Others		409,898		156
<b>Total</b>	₩	834,040	₩	707,118

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**14. Borrowings**

Borrowings as at March 31, 2025 and December 31, 2024, consist of:

<i>(in millions of Korean won)</i>		<b>March 31, 2025</b>	<b>December 31, 2024</b>
<b>Current</b>			
Short-term borrowings	₩	2,031,298	₩ 1,811,995
Current portion of long-term borrowings		2,205,262	1,941,487
Current portion of debentures		4,258,313	3,726,481
Current lease liabilities		138,998	141,096
		<u>8,633,871</u>	<u>7,621,059</u>
<b>Non-current</b>			
Long-term borrowings		6,072,361	5,997,203
Debentures		13,952,245	12,984,178
Lease liabilities		744,255	773,657
		<u>20,768,860</u>	<u>19,755,038</u>
<b>Total</b>	₩	<u>29,402,731</u>	₩ <u>27,376,097</u>

Details of general borrowings as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)				Interest rate(%) as at December 31, 2024	Carrying amount							
	Currency	Bank	Latest maturity date		March 31, 2025				December 31, 2024			
Short-term borrowings					Current		Non-current		Current		Non-current	
Nego loans	Foreign currency	Kookmin Bank Co.,Ltd. and others	May 27, 2025	2.64 and others	₩	91,416	₩	-	₩	-	₩	-
	Korean won	NH Bank and others	March 11, 2026	4.84 and others	₩	479,900	₩	-	₩	358,800	₩	-
Bank loans	Foreign currency	Kookmin Bank Co.,Ltd. and others	March 27, 2026	3.14 and others	₩	1,459,982	₩	-	₩	1,453,195	₩	-
					₩	2,031,298	₩	-	₩	1,811,995	₩	-
Total												
Long-term borrowings												
Bank loans	Korean won	KDB Bank and others 1	January 30, 2030	4.51 and others	₩	50,000	₩	788,000	₩	50,000	₩	518,000
	Foreign currency	DOE and others	October 25, 2032	4.55 and others	₩	2,155,480	₩	5,415,183	₩	1,891,666	₩	5,618,146
Less: discount on long-term borrowings					₩	(218)	₩	(130,822)	₩	(179)	₩	(138,943)
Total					₩	2,205,262	₩	6,072,361	₩	1,941,487	₩	5,997,203
Debentures												
Public debentures	Korean won	KB Securities Co., Ltd. and others	February 19, 2036	3.22 and others	₩	1,340,000	₩	7,260,000	₩	825,000	₩	6,275,000
	Korean won	KB Securities Co., Ltd. And others	May 7, 2036	2.39 and others	₩	-	₩	150,000	₩	-	₩	150,000
Private debentures	Foreign currency	CITI Securities and others	July 2, 2034	5.38 and others	₩	439,950	₩	6,599,250	₩	441,000	₩	6,615,000
	Foreign currency	CITI Securities and others	July 18, 2030	1.60 and others	₩	2,933,000	₩	-	₩	2,940,000	₩	-
Exchangeable bonds 2,3					₩	(454,637)	₩	(57,005)	₩	(479,519)	₩	(55,822)
Less: discount on debentures					₩	(454,637)	₩	(57,005)	₩	(479,519)	₩	(55,822)
Total					₩	4,258,313	₩	13,952,245	₩	3,726,481	₩	12,984,178

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

<sup>1</sup> The Group's building is provided as collateral for some borrowings from the KDB Bank (Note 11).

<sup>2</sup> The details of issued exchangeable bonds (Tranche 1) are as follows:

Category	Details
<b>Aggregate principal amount</b>	USD 1,000,000,000
<b>Issue price</b>	USD 1,000,000,000
<b>Interest rate (%)</b>	1.25
<b>Issue Date</b>	July 18, 2023
<b>Maturity Date</b>	July 18, 2028
<b>Principal Repayment Method</b>	Maturity repayment: Lump-sum repayment at maturity of the remaining principal and interest of debentures that have been repaid early by maturity or for which the right of exchange has not been exercised. Early redemption: The Parent Company has the Call Option, and the bondholder has the Put Option.
<b>Exchange Target</b>	1,883,636 common shares of LG Energy Solution, Ltd. However, despite the bondholder's exercise of the exchange right, the issuer has the option to settle by paying cash equivalent to the consideration instead of issuing the target shares.
<b>Exchange Price (KRW/share)</b>	687,500 (23.07.11 closing price X premium 125%) However, the exchange price may be adjusted according to the standards set in the investment prospectus, such as when the target company pays stock dividends.
<b>Claim Period</b>	August 28, 2023 – July 11, 2028
<b>Early Redemption at the Option of the Issuer</b>	1) After three years and 14 days from the date of payment, if there are more than 20 trading days out of 30 consecutive trading days when the stock price (based on closing price) is 130% or more of the exchange price based on U.S. dollar conversion. 2) When the outstanding principal is less than 10% of the original debt (Clean Up Call) 3) When additional tax burden arises due to revision of related laws, etc.
<b>Early Redemption at the Option of the Bondholders</b>	1) Can be exercised on 2025.07.18 (Optional Put Date) 2) When Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days on the Relevant Stock Exchange 3) When there is a change in control of the company or the issuer of stocks subject to exchange (Change of Control) 4) When the issuer acquires more than 85% of the Voting Rights of the issued capital of LG Energy Solution (Free Float)

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

<sup>3</sup> The details of issued exchangeable bonds (Tranche 2) are as follows:

Category	Details
<b>Aggregate principal amount</b>	USD 1,000,000,000
<b>Issue price</b>	USD 1,000,000,000
<b>Interest rate (%)</b>	1.60
<b>Issue Date</b>	July 18, 2023
<b>Maturity Date</b>	July 18, 2030
<b>Principal Repayment Method</b>	<p>Maturity repayment: Lump-sum repayment at maturity of the remaining principal and interest of debentures that have been repaid early by maturity or for which the right of exchange has not been exercised.</p> <p>Early redemption: The Parent Company has the Call Option, and the bondholder has the Put Option.</p>
<b>Exchange Target</b>	<p>1,811,188 common shares of LG Energy Solution, Ltd.</p> <p>However, despite the bondholder's exercise of the exchange right, the issuer has the option to settle by paying cash equivalent to the consideration instead of issuing the target shares.</p>
<b>Exchange Price (KRW/share)</b>	<p>715,000 (23.07.11 closing price X premium 130%) However, the exchange price may be adjusted according to the standards set in the investment prospectus, such as when the target company pays stock dividends.</p>
<b>Claim Period</b>	August 28, 2023 – July 11, 2030
<b>Early Redemption at the Option of the Issuer</b>	<p>1) After five years and 14 days from the date of payment, if there are more than 20 trading days out of 30 consecutive trading days when the stock price (based on closing price) is 130% or more of the exchange price based on U.S. dollar conversion.</p> <p>2) When the outstanding principal is less than 10% of the original debt (Clean Up Call)</p> <p>3) When additional tax burden arises due to revision of related laws, etc.</p>
<b>Early Redemption at the Option of the Bondholders</b>	<p>1) Can be exercised on 2027.07.18 (Optional Put Date)</p> <p>2) When Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days on the Relevant Stock Exchange</p> <p>3) When there is a change in control of the company or the issuer of stocks subject to exchange (Change of Control)</p> <p>4) When the issuer acquires more than 85% of the Voting Rights of the issued capital of LG Energy Solution (Free Float)</p>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Details of the exchangeable bonds (Tranche 1) as of the date of issuance, as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>July 18, 2023</b>	<b>December 31, 2024</b>	<b>March 31, 2025</b>
Issue price	₩ 1,266,100	₩ 1,470,000	₩ 1,466,500
Book amount of exchangeable bonds	991,756	1,273,431	1,283,352
Derivative financial liabilities	263,532	156,776	129,404

Details of the exchangeable bonds (Tranche 2) as of the date of issuance, as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>July 18, 2023</b>	<b>December 31, 2024</b>	<b>March 31, 2025</b>
Issue price	₩ 1,266,100	₩ 1,470,000	₩ 1,466,500
Book amount of exchangeable bonds	914,412	1,187,914	1,196,469
Derivative financial liabilities	340,876	194,334	160,420

Details of lease liabilities as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>				
	<b>Annual interest rate (%)</b>	<b>Latest maturity date</b>	<b>Total amount</b>	<b>Current</b>	<b>Non-current</b>
Korea World Service and others	0.67 ~ 8.42	2082.2.28	₩ 883,253	₩ 138,998	₩ 744,255

<i>(in millions of Korean won)</i>	<b>December 31, 2024</b>				
	<b>Annual interest rate (%)</b>	<b>Latest maturity date</b>	<b>Total amount</b>	<b>Current</b>	<b>Non-current</b>
Hyundai Oil Bank and others	0.67 ~ 9.00	2082.2.28	₩ 914,753	₩ 141,096	₩ 773,657

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**15. Provisions**

Changes in provisions for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

(in millions of Korean won)

	March 31, 2025			
	Warranty <sup>1</sup>	Greenhouse gas emission <sup>2</sup>	Others <sup>3</sup>	Total
<b>Beginning balance</b>	₩ 1,697,602	₩ 11,169	₩ 145,956	₩ 1,854,727
Additions	194,244	3,197	(804)	196,637
Used	(110,627)	-	(900)	(111,527)
<b>Ending balance</b>	₩ 1,781,219	₩ 14,366	₩ 144,252	₩ 1,939,837
Current	880,269	14,366	117,687	1,012,322
Non-current	900,950	-	26,565	927,515

(in millions of Korean won)

	December 31, 2024			
	Warranty <sup>1</sup>	Greenhouse gas emission <sup>2</sup>	Others <sup>3</sup>	Total
<b>Beginning balance</b>	₩ 1,279,460	₩ 8,966	₩ 146,299	₩ 1,434,725
Business combination (Note 37)	1,807	-	-	1,807
Additions	1,050,412	10,734	47,348	1,108,494
Used	(634,077)	(8,531)	(47,691)	(690,299)
<b>Ending balance</b>	₩ 1,697,602	₩ 11,169	₩ 145,956	₩ 1,854,727
Current	923,777	11,169	119,613	1,054,559
Non-current	773,825	-	26,343	800,168

<sup>1</sup> Warranty provisions have been accrued based on historical experience for the estimated warranty costs to be incurred due to quality guarantee, exchanges and refunds of products. The warranty provisions also include provisions related to replacement costs for ESS due to fire accidents and voluntary recalls of automotive batteries are determined based on the best estimates. The provisions are adjusted to reflect the current best estimate. As at March 31, 2025, the warranty provision included ₩ 1,776,721 million (December 31, 2024: ₩ 1,693,916 million) of warranty provision for LG Energy Solution, Ltd. and its subsidiaries.

<sup>2</sup> Greenhouse gas emission provisions have been accrued for estimated expenditures to be obligated for any excess emission. The estimated emission as at March 31, 2025, amounts to 2,150 thousand tons (December 31, 2024: 8,707 thousand tons).

<sup>3</sup> The Group is recognizing provisions for certain pending lawsuits and estimating the costs required for soil contamination restoration to account for these restoration provisions.



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**16. Net Defined Benefit Liabilities**

Details of net defined benefit liabilities (assets) recognized in the consolidated statements of financial position as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Present value of defined benefit obligations <sup>1</sup>	₩ 1,994,095	₩ 1,967,056
Fair value of plan assets	(2,149,730)	(2,174,317)
<b>Liabilities (assets) in the consolidated statement of financial position</b>	<b>₩ (155,635)</b>	<b>₩ (207,261)</b>

<sup>1</sup> The present value of retirement benefit obligations is net of existing contributions to the National Pension Plan of ₩ 463 million as at March 31, 2025 (December 31, 2024: ₩ 508 million).

The amounts recognized in the consolidated income statements for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Current service cost <sup>1</sup>	₩ 57,850	₩ 54,775
Interest cost	(2,102)	(5,553)
<b>Total, included in employee benefit expenses</b>	<b>₩ 55,748</b>	<b>₩ 49,222</b>

<sup>1</sup> The above amounts excluded ₩ 637 million (2024: ₩ 396 million) of expenses capitalized to construction in progress and development costs.

Post-employment benefits recognized for defined contribution plan for the three-month period ended March 31, 2025, amounted to ₩ 5,950 million (2024: ₩ 6,950 million).

Post-employment benefits recognized in the consolidated income statements for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Cost of sales	₩ 32,537	₩ 30,984
Selling and administrative expenses	29,155	23,747
Discontinued operations	6	1,441
<b>Total</b>	<b>₩ 61,698</b>	<b>₩ 56,172</b>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Movements in the present value of defined benefit obligations for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Beginning balance</b>	₩	1,967,056	₩	1,750,986
Transferred-in liability due to intercompany transfer		1,354		3,499
Transferred-out liability due to intercompany transfer		(1,830)		(2,799)
Current service cost		58,487		218,902
Interest expense		19,748		79,360
Remeasurements:				
Actuarial loss arising from change in demographic assumptions		-		1,467
Actuarial loss arising from change in financial assumptions		-		122,060
Actuarial gain arising from experience adjustments		-		(15,588)
Others		-		(134)
Exchange differences		(590)		(1,316)
Payments from plans <sup>1</sup>		(50,130)		(189,381)
<b>Ending balance</b>	₩	1,994,095	₩	1,967,056

<sup>1</sup>The amount paid to employees who converted to the defined contribution plan for the three-month period ended March 31, 2025, is ₩ 39,035 million (2024: ₩ 116,809 million).

Movements in the fair value of plan assets for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Beginning balance</b>	₩	2,174,317	₩	2,233,925
Transferred-in plan assets due to intercompany transfer		124		-
Transferred-out plan assets due to intercompany transfer		(222)		(905)
Interest income		21,850		101,661
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		484		(9,196)
Contributions:				
Employers		1,218		24,523
Payments from plans <sup>1</sup>		(46,820)		(171,633)
Administrative costs		(1,221)		(4,058)
<b>Ending balance</b>	₩	2,149,730	₩	2,174,317

<sup>1</sup>The amount paid to employees who converted to the defined contribution plan for the three-month period ended March 31, 2025, is ₩ 39,035 million (2024: ₩ 116,809 million).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

The actual return on plan assets for the three-month period ended March 31, 2025, was ₩ 22,334 million (December 31, 2024: ₩ 92,465 million).

The significant actuarial assumptions as at March 31, 2025 and December 31, 2024, are as follows:

	March 31, 2025	December 31, 2024
Discount rate	3.8%~4.1%	3.8%~4.1%
Salary growth rate	4.0%~6.0%	4.0%~6.0%

The sensitivity analysis for changes in key actuarial assumptions as at March 31, 2025, is as follows:

<i>(in millions of Korean won)</i>	Increase by 1%	Decrease by 1%
<b>Discount rate:</b>		
Increase (decrease) in defined benefit obligations	₩ (214,087)	₩ 255,355
<b>Salary growth rate:</b>		
Increase (decrease) in defined benefit obligations	263,958	(224,140)

The decline in rate of return of the gilt, which is the discount rate, is exposed to the most significant risk through an increase in the defined benefit liability.

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Plan assets as at March 31, 2025 and December 31, 2024, consist of:

<i>(in millions of Korean won)</i>	March 31, 2025		December 31, 2024	
	Amount	Composition (%)	Amount	Composition (%)
Insurance contracts with guaranteed yield	₩ 2,134,599	99.3	₩ 2,158,859	99.3
Equity linked bonds	15,128	0.7	15,441	0.7
Time deposits	3	0.0	17	0.0
	₩ 2,149,730	100.0	₩ 2,174,317	100.0

Plan assets consist of various debt instruments with principal and interest protection and others which have no quoted market prices in an active market.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**17. Other Current and Non-Current Liabilities**

Details of other current and non-current liabilities as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)	March 31, 2025		December 31, 2024	
Current				
Advances from customers	₩	390,304	₩	230,803
Dividends payable		179,508		
Withholdings		186,481		454,000
Unearned revenues		89,105		90,941
Accrued expenses		345,598		391,458
Total	₩	1,190,996	₩	1,167,202
Non-current				
Long-term accrued expenses	₩	92,034	₩	91,977
Long-term unearned revenues		90,894		103,182
Long-term advanced received		2,456,657		2,509,323
Total	₩	2,639,585	₩	2,704,482

**18. Commitments and Contingencies**

(a) As at March 31, 2025, the Parent Company and certain subsidiaries have been guaranteed by Seoul Guarantee Insurance Company for the payment and others.

(b) As at March 31, 2025, the Parent Company and certain subsidiaries have various specific line of credit agreements with several financial institutions, as follows:

*(Unit: Korean won in millions, foreign currencies in millions)*

<b>Classification</b>	<b>The Parent Company</b>		<b>Certain Subsidiaries</b>							
	<b>KRW</b>	<b>USD</b>	<b>KRW</b>	<b>USD</b>	<b>CNY</b>	<b>EUR</b>	<b>INR</b>	<b>THB</b>	<b>MYR</b>	<b>JPY</b>
Limit of bank overdraft	20,400	-	-	-	200	-	-	-	-	-
Limit of the letter of credit	15,000	465	-	230	989	-	-	-	-	450
Limit of discount of notes from export	-	935	-	1,170	3,925	-	-	-	-	-
Limit of guaranteed payments in other foreign currency	-	224	50,600	950	1,065	-	-	-	-	-
Limit of loan arrangements	350,000	-	1,090,000	8,253	14,545	2,751	4,870	10	450	-
Limit of import loan	-	-	-	40	-	-	-	-	-	-
Derivatives	-	-	430,000	3,228	-	210	-	-	-	-

# **LG Chem, Ltd. and Subsidiaries**

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

### **March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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The Parent Company and certain subsidiaries also entered into comprehensive credit line agreements with other financial institutions relating to trade finance and import/export (including bank overdraft) amounting to ₩ 20,000 million (including ₩ 5,000 million of overdraft loan) and USD 245 million. Certain subsidiaries entered into factoring agreements with a limit of ₩ 150,000 million.

- (c) As at March 31, 2025, the Parent Company and certain subsidiaries have B2B purchase arrangements with several financial institutions with limit of ₩ 278,000 million and ₩ 159,000 million, respectively.
- (d) As at March 31, 2025, the Parent Company and its subsidiaries have reverse factoring agreements with Lotte Card, Shinhan Card, and Hyundai Card, and among the limits granted by the card companies, the Company is using ₩ 163,660 million from Shinhan Card and ₩ 21,597 million from Hyundai Card, while its subsidiaries are using ₩ 207,040 million from Shinhan Card and ₩ 218,439 million from Hyundai Card.

- (e) As at March 31, 2025, the Group's litigation status is as follows:

As at March 31, 2025, in connection with styrene monomer gas leakage accident, several lawsuits against the Group have been filed with National Green Tribunal of India (NGT) and Andhra Pradesh High Court (APHC). The ultimate outcome of these cases cannot be determined at the reporting date. The Group deposited INR 500 million under the order from NGT, and deposited INR 953 million generated from sales of inventories under the order from APHC in connection with this accident. The manufacturing facility is currently closed with limited access in accordance with the order from APHC.

As at March 31, 2025, in relation to small rechargeable batteries sales and General Motors ("GM") Bolt EV, the consumers have filed five class actions against the Group. However, the ultimate outcome of these cases cannot be determined at the reporting date.

In addition, as at March 31, 2025, the Parent Company and certain subsidiaries have been named as plaintiffs in 11 (related claim amount of ₩ 31,149 million) and 21 (related claim amount of USD 90 million and ₩ 5,592 million) legal actions, respectively. They have been named as defendants in 11 and 55 legal actions, respectively, with ₩ 17,134 million, USD 157 million and ₩ 2,401 million respectively, in claims. The ultimate outcome of these cases cannot be determined at the reporting date.

- (f) The Parent Company has entered into multiple technology license agreements with ExxonMobil and others to be provided with licenses for technologies and services.
- (g) The Group has entered into a license agreement with LG Corp. to use trademarks on the products that the Group manufactures and sells, and on the services the Group provides in relation to its business.
- (h) As at March 31, 2025, the Group has entered into a payment guarantee contract of USD 5 million, and certain subsidiaries have entered into payment guarantee contracts of USD 36 thousand and EUR 5 million with financial institutions to guarantee the warranty of products and payment. Certain subsidiaries have entered into payment guarantee contracts of CNY 24 million with financial institutions in relation to the customs procedures of imported raw materials.
- (i) Capital expenditure arrangement that has not incurred as at March 31, 2025 and December 31, 2024, are as follows:

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Property, plant and equipment	₩ 10,172,650	₩ 9,838,283
<p>(j) As at March 31, 2025, the Group has entered into an agreement with GM regarding joint investment in Ultium Cells Holdings LLC and Ultium Cells LLC, whereby each party can sell its shares to third parties in eight years after the inception of the contract. In addition, if one party defaults, the other party has the right-to-purchase shares from the other party. The Group completed the process of approval by the government for the use of core technologies according to the Industrial Technology Protection Act.</p> <p>(k) As at March 31, 2025, the Group has entered into a joint venture agreement with Honda in which the Group agreed to invest USD 1,802 million. At the end of the current period, a total investment of USD 1,684 million has been made. In addition, the Group provided payment guarantees to the joint venture amounting to USD 450 million according to the ratio of portion in the borrowing with a total credit line of USD 883 million. Additionally, in the event of default of one party, the other equity investors have the right to purchase the corresponding interests.</p> <p>(l) As at March 31, 2025, the Group has entered into a joint venture agreement with Stellantis in which the Group agreed to invest USD 1,464 million. At the end of the current period, a total investment of USD 1,020 million has been made. Additionally, in the event of default one party, the other equity investors have the right to purchase the corresponding interests. In addition, the Group provided payment guarantees to the joint venture amounting to USD 686 million according to the ratio of portion in the borrowing with a total credit line of USD 1,344 million.</p> <p>(m) As at March 31, 2025, the Group has entered into a joint venture agreement with HMG Global LLC, in which the Group agreed to invest USD 1,108 million. At the end of the current period, a total investment of USD 850 million has been made. Additionally, after the expiration of the contract period, it is possible to transfer the corresponding interest to a third party, and in the event of default of one party, the other equity investors have the right to purchase the corresponding interest.</p> <p>(n) As at March 31, 2025, the Group has entered into an agreement to construct a new plant for LG Energy Solution Arizona, Inc which amounts to USD 2,048 million.</p> <p>(o) As at March 31, 2025, the Group and certain subsidiaries' investment agreements are as follows:</p>		

<i>(in millions of Korean won, USD and EUR)</i>	<b>Currency</b>	<b>Committed investments</b>	<b>Cumulative investments</b>	<b>Remaining</b>
KBE Fund	KRW	150,000	117,871	32,129
BCM Global Battery Fund	KRW	30,000	19,404	10,596
Secondary battery growth Fund	KRW	6,700	4,677	-
Gross Acceleration Fund	KRW	5,000	5,000	-
Yonsei Technology Holdings IP Fund	KRW	3,000	2,040	960
BNZ (Beyond Net Zero) Fund	USD	150	102	48
Phoenix Venture Partners III <sup>1</sup>	USD	10	6	4
U.S. Venture Partners XII <sup>1</sup>	USD	5	5	-
U.S. Venture Partners XIII <sup>1</sup>	USD	5	2	3
Emerald Industrial Innovation Fund IX <sup>1</sup>	EUR	5	1	4

<sup>1</sup> Investment agreements of LG Chem Fund LLC.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

- (p) The Group has the right to request GS EPS to sell all of its shares at fair value, once in a year, after 20 years from the commencement of commercial operation of its subsidiary, TW Biomassenergy Co., Ltd. Additionally, GS EPS has the right to request LG Chem to purchase all of its shares at fair value.
- (q) The Parent Company acquired 50% of new shares issued by LG Toray Hungary Battery Separator Kft. for USD 375 million in accordance with the joint venture agreement entered into in 2022 with Toray Industries, Inc. The shares were recognized as investment in joint venture, as it was determined that there was a joint control under the agreement. The details on agreements entered into upon the acquisition of shares are as follows:

Category	Details
<b>Agreement to purchase additional shares</b>	After 36 months from the acquisition date of the 50% shares, 20% shares shall be purchased in accordance with the agreed pricing method.
<b>Restrictions on share transfer</b>	<ul style="list-style-type: none"> <li>- During the lock-up period<sup>1</sup>, share transfer is prohibited without prior written consent of the other shareholder.</li> <li>- When sold to a third party, the Parent Company holds a drag-along right and Toray Industries, Inc. holds a tag-along right.</li> </ul>
<b>Default</b>	In case the Parent Company or the counterpart in the contract defaults, non-default shareholder has the right to request the default shareholder to sell their shares (Call Option) and the default shareholder to purchase the shares held by the non-default shareholder (Put Option).
<b>Exit put option</b>	Once the lock-up period <sup>1</sup> ends, the other shareholder has a put option to sell the remaining 30% of the shares to the Parent Company.
<b>Deadlock</b>	<p>After 30 months from the acquisition date of the 50% shares, in the event of a deadlock agreed by both parties,</p> <ul style="list-style-type: none"> <li>1) the Parent Company holds a call option to request the counterpart and subsidiaries to sell their shares.</li> <li>2) The counterpart holds a put option to request the Parent Company to purchase shares of the counterpart.</li> </ul>

<sup>1</sup> Lock-up period: Restriction period of share transfer for five years from the time the Parent Company acquires 50% of the shares.

- (r) The Group has entered into following arrangements related to LG-Eni Biorefining Co., Ltd. Unless otherwise specified in the agreement, transfer of shares is prohibited without prior written consent of the other shareholder for a period of five years from the commencement of production by LG-Eni Biorefining Co., Ltd (lock-up period). Once the lock-up period ends, if a transferring shareholder sells shares to a third party, the other shareholder has the right to exercise the right of first offer. In addition, in case the Group is the transferring shareholder and if Enilive S.p.A. refuses or fails to exercise the right of first offer, Enilive S.p.A. has the right to request to sell their shares under the same conditions.
- (s) During the year ended December 31, 2023, the Group issued exchangeable bonds targeting the stocks of LG Energy Solution, LTD., and recognized the right of exchange and option included in the exchangeable bonds as a derivative financial liability (Note 14).
- (t) As at March 31, 2025, the Group has provided as collateral for borrowings of ₩ 315,000 million from the KDB Bank, and upon the completion of the building or acquisition of land ownership, the Group has committed to provide the first senior security right (maximum amount of ₩ 378,000 million) to the KDB Bank (Note 11).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

- (u) LG Energy Solution Michigan Inc. and Ultium Cells LLC, subsidiaries of the Group, entered into an asset purchase agreement in March 2025. LG Energy Solution Michigan Inc. has acquired assets of the Ultium Cells LLC's Plant 3 for USD 2,138 million. The transaction amount may be changed depending on the agreement between the contract parties, and Ultium Cells LLC intends to pay a portion of the transaction amount to the non-controlling shareholders of the Group.

**19. Issued Capital**

Changes in issued capital and share premium for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

*(in millions of Korean won  
and in shares)*

	Ordinary shares		Preferred shares		Share premium
	Number of shares	Issued capital	Number of shares	Issued capital	
January 1, 2024	70,592,343	₩ 352,962	7,688,800	₩ 38,444	₩ 2,014,036
December 31, 2024	70,592,343	352,962	7,688,800	38,444	2,014,036
March 31, 2025	70,592,343	₩ 352,962	7,688,800	₩ 38,444	₩ 2,014,036

Changes in treasury shares for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won and in shares)</i>	Number of shares		Carrying amount	Gain on disposal of treasury shares
	Ordinary shares	Preferred shares		
January 1, 2024	-	6,041	₩ 270	₩ 655,927
Acquisition of shares	1	-	-	-
December 31, 2024	1	6,041	270	655,927
March 31, 2025	1	6,041	₩ 270	₩ 655,927

Capital surplus as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2025	December 31, 2024
Revaluation reserve	₩ 206,769	₩ 206,769
Share premium	2,014,036	2,014,036
Gain on disposal of treasury shares	655,927	655,927
Other capital surplus	8,692,138	8,692,138
<b>Total</b>	<b>₩ 11,568,870</b>	<b>₩ 11,568,870</b>



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**20. Retained Earnings**

Retained earnings as at March 31, 2025 and December 31, 2024, consist of:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Legal reserve <sup>1</sup>	₩ 849,327	₩ 849,167
Discretionary reserve <sup>2</sup>	16,734,455	16,779,743
Retained earnings before appropriation	822,954	963,264
<b>Total</b>	<b>₩ 18,406,736</b>	<b>₩ 18,592,174</b>

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Group to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital. The reserve is not available for cash dividends payment, but may be transferred to capital or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed in accordance with a resolution of the shareholders' meeting.

<sup>2</sup> The Group separately accumulates a discretionary reserve for research and human resource development through appropriation of retained earnings, which has been included as deductible expense for the corporate income tax return according to the Special Tax Treatment Law. Among these reserves, the used amounts for each specific purpose and the balances after use can be transferred to discretionary reserve and will be available for dividends.

**21. Elements of Other Stockholders Equity**

Details of other components of equity as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Treasury shares (Note 19)	₩ (270)	₩ (270)
Capital transactions within the Group <sup>1</sup>	(19,299)	(19,299)
<b>Total</b>	<b>₩ (19,569)</b>	<b>₩ (19,569)</b>

<sup>1</sup> Gain or loss on disposal interest within the consolidated entity, changes in ownership interests and the investment difference, etc., all adjusted for the related deferred corporate tax effects.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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**22. Operating Income**

Operating Income for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Revenue</b>	₩	12,171,015	₩	11,609,432
<b>Cost of sales</b>		10,126,978		9,705,679
<b>Gross profit</b>		2,044,037		1,903,753
Other operating income <sup>1</sup>		457,716		188,954
<b>Selling and administrative expenses</b>		2,054,782		1,828,076
Wages and salaries		480,872		435,647
Post-employment benefits (Note 16)		29,155		23,747
Employee benefits		119,936		108,513
Travel expense		22,464		21,911
Water and utilities		43,573		36,714
Packaging expense		3,719		2,516
Rental expenses		24,251		34,991
Commission expenses		295,245		235,886
Depreciation (Notes 11 and 36)		124,338		98,424
Advertising expense		16,467		17,727
Freight expenses		240,737		187,197
Training expense		7,851		11,174
Amortization (Note 12)		117,496		86,647
Sample expense		5,905		7,905
Development costs		144,935		133,207
Others		377,838		385,870
<b>Operating income</b>	₩	<u>446,971</u>	₩	<u>264,631</u>

<sup>1</sup> Under the Inflation Reduction Act, which takes effect on January 1, 2023, manufacturers and sellers of battery cells/modules produced in the United States are eligible for tax deductions of a certain amount. This is the amount the Group is expected to receive for the three-month period ended March 31, 2025.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**23. Classification of Expenses by Nature**

Cost of sales, and selling and administrative expenses by nature for the three-month periods ended March 31, 2025 and 2024, consist of:

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Changes in inventories of merchandise, finished goods, semi-finished goods and work in process	₩ 522,073	₩ 178,646
Raw materials and consumables used	6,529,390	6,448,256
Purchase of merchandise	341,632	314,035
Employee benefit expenses (Note 24)	1,288,613	1,267,249
Advertising expenses	16,937	18,095
Freight expenses	251,280	198,393
Commission expenses	589,028	455,375
Depreciation and amortization (Notes 11, 12, and 36)	1,218,793	1,068,336
Rent expenses and usage fee	21,426	25,919
Other expenses	1,402,589	1,559,451
<b>Total</b>	<b>₩ 12,181,761</b>	<b>₩ 11,533,755</b>

**24. Employee Benefit Expenses**

Details of employee benefit expenses for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Salaries	₩ 1,041,308	₩ 1,025,429
Post-employment benefits – Defined benefit plan (Note 16)	55,744	48,247
Post-employment benefits – Defined contribution plan (Note 16)	5,948	6,484
Others	185,613	187,089
<b>Total</b>	<b>₩ 1,288,613</b>	<b>₩ 1,267,249</b>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**25. Finance Income and Costs**

Details of finance income and costs for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Finance income</b>	₩	85,580	₩	98,761
Interest income <sup>1</sup>		2,937		-
Dividend income		258,003		194,516
Exchange differences		122,488		311,468
Gain related to derivative instruments		10,289		31,345
Gain related to financial assets	₩	479,297	₩	636,090
<b>Finance costs</b>	₩	264,148	₩	196,693
Interest expense <sup>2</sup>		175,518		459,404
Exchange differences		10,709		-
Loss related to derivative instruments		3,159		1,321
Loss related to financial assets	₩	453,534	₩	657,418

<sup>1</sup> Details of interest income for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Deposits held by financial institutions	₩	55,039	₩	74,630
Other loans and receivables		30,541		24,131
<b>Total</b>	₩	85,580	₩	98,761

<sup>2</sup> Details of interest expense for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Interest on financial institutions	₩	102,362	₩	99,157
Interest on lease liabilities		7,851		3,493
Interest on debentures		165,943		123,996
Other interest expenses		16,551		8,354
Capitalized interest for qualifying assets		(28,559)		(38,307)
<b>Total</b>	₩	264,148	₩	196,693

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**26. Other Non-operating Income**

Details of other non-operating income for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Exchange differences	₩	249,958	₩	314,211
Gain on disposal of property, plant and equipment		15,351		1,845
Gain on disposal of intangible assets		-		14
Insurance income		2,442		766
Others		9,513		12,359
<b>Total</b>	₩	<b>277,264</b>	₩	<b>329,195</b>

**27. Other Non-operating Expenses**

Details of other non-operating expenses for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Exchange differences	₩	255,372	₩	169,473
Loss on disposal of property, plant and equipment		668		46,526
Loss on disposal of intangible assets		7,840		430
Impairment loss on property, plant and equipment (Note 11)		5,423		18,643
Impairment loss on intangible assets (Note 12)		309		125
Loss on disasters		24,223		8
Donations		4,059		1,012
Others		5,038		9,517
<b>Total</b>	₩	<b>302,932</b>	₩	<b>245,734</b>

**28. Tax Expense and Deferred Tax**

Income tax expense is recognized based on the best estimate of weighted average annual income tax rate expected for the entire financial year

The Group is subject to the Pillar Two model rules, and LG Chem Hai Phong Engineering Plastics LLC., operating in Vietnam, is liable for additional tax expenses. For the three-month period ending on March 31, 2025, the Group recognized current income tax expense ₩ 243 million under Pillar II model. The Group applied the exception for recognizing and disclosing information about deferred tax.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**29. Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent Company by the weighted average number of shares in issue excluding shares purchased by the Parent Company and held as treasury shares. As at the reporting date, the Parent Company has no potential ordinary shares. Preferred shares have a right to participate in the profits of the Group. These participation rights have been considered in presenting the earnings per share information for both of ordinary shares and preferred shares.

Basic earnings per share for profit from continuing operations and earnings per share attributable to the owners of the Parent Company for the three-month periods ended March 31, 2025 and 2024, are computed as follows:

*Basic earnings (losses) per ordinary share from continuing operations*

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Profit (loss) from continuing operations attributable to ordinary shares <sup>1</sup>	₩ (77,696)	₩ 102,705
Weighted average number of ordinary shares outstanding	<u>70,592,342</u>	<u>70,592,343</u>
Basic earnings (losses) per ordinary share from continuing operations <i>(in won)</i>	<u>₩ (1,101)</u>	<u>₩ 1,455</u>

*Basic earnings (losses) per ordinary share*

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Profit (loss) attributable to ordinary shares <sup>1</sup>	₩ (97,010)	₩ 122,959
Weighted average number of ordinary shares outstanding	<u>70,592,343</u>	<u>70,592,343</u>
Basic earnings (losses) per ordinary share <i>(in won)</i>	<u>₩ (1,374)</u>	<u>₩ 1,742</u>

*Basic earnings (losses) per preferred share from continuing operations*

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
Profit (loss) from continuing operations attributable to preferred shares <sup>1</sup>	₩ (8,456)	₩ 11,562
Weighted average number of preferred shares outstanding	<u>7,682,759</u>	<u>7,682,759</u>
Basic earnings (losses) per preferred share from continuing operations <i>(in won)</i>	<u>₩ (1,101)</u>	<u>₩ 1,505</u>

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

*Basic earnings (losses) per preferred share*

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Profit (loss) attributable to preferred shares <sup>1</sup>	₩	(10,558)	₩	13,766
Weighted average number of preferred shares outstanding		7,682,759		7,682,759
Basic earnings (losses) per preferred share <i>(in won)</i>	₩	(1,374)	₩	1,792

<sup>1</sup> Profit (losses) attributable to ordinary and preferred shares are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Profit (loss) from continuing operations attributable to the ordinary equity holders of the Parent Company</b>	₩	(86,152)	₩	114,267
Ordinary shares dividends (A)		-		24,315
Preferred shares dividends (B)		-		3,030
<b>Undistributed earnings (losses) from continuing operation for the period</b>		(86,152)		86,922
Undistributed earnings (losses) available for ordinary shares (C)		(77,696)		78,390
Undistributed earnings (losses) available for preferred shares (D)		(8,456)		8,532
<b>Profit (loss) from continuing operations for the period attributable to ordinary shares (A+C)</b>	₩	(77,696)	₩	102,705
<b>Profit (loss) from continuing operations for the period attributable to preferred shares (B+D)</b>	₩	(8,456)	₩	11,562

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
<b>Profit (loss) attributable to the ordinary equity holders of the Parent Company</b>	₩	(107,568)	₩	136,725
Ordinary shares dividends (A)		-		24,315
Preferred shares dividends (B)		-		3,030
<b>Undistributed earnings (losses) for the period</b>		(107,568)		109,380
Undistributed earnings (losses) available for ordinary shares (C)		(97,010)		98,644
Undistributed earnings (losses) available for preferred shares (D)		(10,558)		10,736
<b>Profit (loss) for the period attributable to ordinary shares (A+C)</b>	₩	(97,010)	₩	122,959
<b>Profit (loss) for the period attributable to preferred shares (B+D)</b>	₩	(10,558)	₩	13,766

For the three-month periods ended March 31, 2025 and 2024, there were no dilutive potential outstanding ordinary shares at the reporting date. Accordingly, diluted earnings per share for profit attributable to owners of the Parent Company is identical to basic earnings per share.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Basic and diluted earnings (losses) per share attributable to ordinary and preferred shares from discontinued operations for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2024</b>	
Basic earnings (losses) per ordinary share from discontinued operations	₩	(273)	₩	287
Basic earnings (losses) per preferred share from discontinued operations		(273)		287
Diluted earnings (losses) per ordinary share from discontinued operations		(273)		287
Diluted earnings (losses) per preferred share from discontinued operations		(273)		287

**30. Dividends**

The amount of dividends and dividends per share for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in Korean won and number of share)</i>	<b>2025</b>		<b>2024</b>	
	<b>Ordinary share</b>	<b>Preferred share</b>	<b>Ordinary share</b>	<b>Preferred share</b>
Number of shares outstanding	70,592,343	7,688,800	70,592,343	7,688,800
Number of treasury shares	(1)	(6,041)	-	(6,041)
Number of dividend shares	70,592,342	7,682,759	70,592,343	7,682,759
Dividend per share	₩ 1,000	₩ 1,050	₩ 3,500	₩ 3,550
Total dividends (in millions of Korean won)	70,592	8,067	247,073	27,274



# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

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#### 31. Related Party Transactions

Details of related parties as at March 31, 2025 and December 31, 2024, are as follows:

Related party	Related party's subsidiary (Domestic)	Related party's subsidiary (Overseas)	Related party's associates and joint ventures
<b>Significant influence over the group:<sup>1</sup></b>			
LG Corp.			
<b>Subsidiaries of the entity with significant influence:</b>			
LG CNS Co., Ltd.	Biztech On Co., Ltd. and others	LG CNS America Inc. and others	
D&O Corp.	D&O CM and others	D&O CM POLAND sp.z o.o. and others	
LG Management Development Institute			
LG Sports Ltd.			
LG Holdings Japan Co., Ltd.			
<b>Associates and joint ventures:<sup>2</sup></b>			
TECHWIN Co., Ltd.			
LG Chem Life Sciences Poland Ltd.			
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.			
TL Chemical CO., Ltd.			
KOREA PRECURSOR CO., LTD.			
LG Toray Hungary Battery Separator Kft.			
SEETEC Co., Ltd.			
Sam-a Aluminium Company, Limited			
NEXPO Co., Ltd.			
Mintech Co., Ltd. <sup>3</sup>			
Bricks Capital Management Global Battery Private Equity Fund I			
<b>Affiliate within the same large enterprise group<sup>4</sup></b>			
LG Display Co., Ltd.	Nanumnuri Co., Ltd.	LG Display High-Tech (China) Co., Ltd. and others	
LG Electronics Inc.	LG Innotek Co., Ltd. and others	LG ELECTRONICS INDIA PRIVATE LIMITED and others	Robostar Co., Ltd. and others
LG Household & Health Care Ltd.	Coca-Cola Beverage Co. and others	Everlife Co., Ltd and others	
LG Uplus Corp.	LG HelloVision Corp and others.	DACOM AMERICA, INC.	DACOM Crossing Corporation
HS AD Inc.		GIIR America Inc. and others	

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

<sup>1</sup> LG Corp. is an entity exercising a significant influence over the Group, which owns 34.95% of the Parent Company's ordinary shares.

<sup>2</sup> During the year ended December 31, 2024, the Group reclassified PT. HLI Green Power from a joint venture to a subsidiary due to changes in the shareholder's agreement.

<sup>3</sup> Although, the Group owns less than 20% of the shares in the form of redeemable convertible preference shares, it is judged to have significant influence as it holds a right to appoint directors. Meanwhile, it is classified as a financial asset measured at fair value through profit or loss, considering Korean IFRS 1109 and the nature of the shares held.

<sup>4</sup> Although, these entities are not the related parties of the Group in accordance with Korean IFRS 1024, these entities belong to a large enterprise group in accordance with the Monopoly Regulation and Fair-Trade Act.

Sales and purchases with related parties for the three-month period ended March 31, 2025 and 2024, are as follows:

	2025									
	Purchase and others									
	Sales and others	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangible assets	Acquisition of right-of-use assets	Interest expense	Others				
<b>Entity with a significant influence over the Group</b>										
LG Corp.	₩ -	₩ -	₩ -	-	₩ -	89	₩	21,940		
<b>Associates and joint ventures</b>										
SEETEC Co., Ltd.	26,637	68,717	-	769	98	23,962				
TECWIN Co., Ltd.	-	-	11,740	-	-	22				
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	-	34,027	-	-	-	-				
Others	590	38,302	213	-	-	92				
<b>Subsidiaries of the entity with significant influence:</b>										
D&O Corp. and its subsidiaries	44	-	5,326	-	-	4,768				
LG CNS Co., Ltd. and its subsidiaries	7,808	222	128,574	-	-	87,439				
Others	-	-	-	-	-	19,855				
<b>Affiliate within the same large enterprise group:</b>										
LG Display Co., Ltd. and its subsidiaries	92,972	87	-	-	1	16				
LG Electronics Inc. and its subsidiaries and joint ventures	142,612	18,232	198,768	-	-	78,284				
Others	2,528	4,859	-	-	12	1,716				
<b>Total</b>	<b>₩ 273,191</b>	<b>₩ 164,446</b>	<b>₩ 344,621</b>	<b>₩ 769</b>	<b>₩ 200</b>	<b>₩ 238,094</b>				

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	2024									
	Purchase and others									
	Sales and others	Purchase of raw materials /merchandises	Acquisition of property, plant and equipment and intangible assets	Acquisition of right-of- use assets	Interest expense	Others				
<b>Entity with a significant influence over the Group</b>										
LG Corp.	₩ 2	₩ -	₩ -	₩ -	₩ 73	₩ 22,673				
<b>Associates and joint ventures</b>										
SEETEC Co., Ltd.	24,640	55,394	-	135	101	24,681				
TECWIN Co., Ltd.	-	18	88	-	-	-				
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	310	65,767	-	-	-	-				
PT. HLI Greenpower	12,208	-	-	-	-	2,369				
Others	947	11,325	-	-	-	197				
<b>Other related parties</b>										
D&O Corp. and its subsidiaries	22	-	6,072	-	-	4,242				
LG CNS Co., Ltd. and its subsidiaries	2,853	504	165,162	-	5	68,604				
Others	28	-	-	-	-	19,929				
<b>Others</b>										
LG Display Co., Ltd. and its subsidiaries	139,409	110	-	-	2	-				
LG Electronics Inc. and its subsidiaries and joint ventures	166,177	49,574	440,551	-	83	22,681				
Others	2,317	12,113	93,045	11,836	17	37,319				
<b>Total</b>	₩ 348,913	₩ 194,805	₩ 704,918	₩ 11,971	₩ 281	₩ 202,695				

<sup>1</sup> During the year ended December 31, 2024, the Group reclassified PT. HLI Green Power from a joint venture to a subsidiary due to changes in the shareholder's agreement and the above amount is transactions prior to the reclassification.

# **LG Chem, Ltd. and Subsidiaries** **Notes to the Condensed Consolidated Interim Financial Statements** **March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Balances of receivables and payables arising from sales and purchases of goods and services as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)

	March 31, 2025			
	Receivables			Total
	Trade receivables and others	Loan receivables	Other receivables	
<b>Entity with a significant influence over the Group</b>				
LG Corp.	₩ -	₩ -	₩ 39,902	₩ 39,902
<b>Associates and joint ventures</b>				
SEETEC Co., Ltd.	14,103	-	1,138	15,241
TECWIN Co., Ltd.	-	-	-	-
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	-	-	-	-
Others	-	-	475	475
<b>Subsidiaries of the entity with significant influence:</b>				
D&O Corp. and its subsidiaries	24	-	-	24
LG CNS Co., Ltd. and its subsidiaries	8,589	-	-	8,589
Others	-	-	-	-
<b>Affiliate within the same large enterprise group:</b>				
LG Display Co., Ltd. and its subsidiaries	184,391	-	3	184,394
LG Electronics Inc. and its subsidiaries and joint ventures <sup>1</sup>	180,730	-	31,542	212,272
Others	120	-	2,096	2,216
<b>Total</b>	₩ 387,957	₩ -	₩ 75,156	₩ 463,113

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	March 31, 2025					
	Payables					Total
	Trade payables	Borrowings	Lease liabilities	Other payables		
<b>Entity with a significant influence over the Group</b>						
LG Corp.	₩ -	₩ -	₩ 13,390	₩ 24,868	₩	38,258
<b>Associates and joint ventures</b>						
SEETEC Co., Ltd.	32,785	-	19,149	10,926		62,860
TECWIN Co., Ltd.	-	-	-	12,824		12,824
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	14,837	-	-	-		14,837
Others	25,668	-	-	118		25,786
<b>Subsidiaries of the entity with significant influence:</b>						
D&O Corp. and its subsidiaries	-	-	-	4,265		4,265
LG CNS Co., Ltd. and its subsidiaries	-	-	-	297,868		297,868
Others	-	-	-	1,393		1,393
<b>Affiliate within the same large enterprise group:</b>						
LG Display Co., Ltd. and its subsidiaries	88	-	16	50		154
LG Electronics Inc. and its subsidiaries and joint ventures <sup>1</sup>	16,694	-	14,251	290,079		321,024
Others	3,029	-	2,295	2,620		7,944
<b>Total</b>	₩ 93,101	₩ -	₩ 49,101	₩ 645,011	₩	787,213

(in millions of Korean won)

	December 31, 2024			
	Receivables			Total
	Trade receivables and others	Loan receivables	Other receivables	
<b>Entity with a significant influence over the Group</b>				
LG Corp.	₩ -	₩ -	₩ 33,379	₩ 33,379
<b>Associates and joint ventures</b>				
SEETEC Co., Ltd.	6,003	-	508	6,511
TECWIN Co., Ltd.	-	-	-	-
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	1,549	-	72	1,621
Others	-	-	193	193
<b>Subsidiaries of the entity with significant influence:</b>				
D&O Corp. and its subsidiaries	-	-	-	-
LG CNS Co., Ltd. and its subsidiaries	5,155	-	13	5,168
Others	-	-	6	6
<b>Affiliate within the same large enterprise group:</b>				
LG Display Co., Ltd. and its subsidiaries	239,891	-	4	239,895
LG Electronics Inc. and its subsidiaries and joint ventures <sup>1</sup>	165,734	-	3,444	169,178
Others	76	-	2,179	2,255
<b>Total</b>	₩ 418,408	₩ -	₩ 39,798	₩ 458,206

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	December 31, 2024				
	Payables				
	Trade payables	Borrowings	Lease liabilities	Other payables	Total
<b>Entity with a significant influence over the Group</b>					
LG Corp.	₩ -	₩ -	₩ 13,390	₩ 124	₩ 13,514
<b>Associates and joint ventures</b>					
SEETEC Co., Ltd.	18,822	-	18,773	11,999	49,594
TECWIN Co., Ltd.	-	-	-	328	328
HUAJIN NEW ENERGY MATERIALS(QUZHOU) CO., LTD.	57,903	-	-	-	57,903
Others	11,308	-	-	81	11,389
<b>Subsidiaries of the entity with significant influence:</b>					
D&O Corp. and its subsidiaries	-	-	-	5,454	5,454
LG CNS Co., Ltd. and its subsidiaries	28	-	-	527,905	527,933
Others	-	-	-	1,310	1,310
<b>Affiliate within the same large enterprise group:</b>					
LG Display Co., Ltd. and its subsidiaries	110	-	95	79	284
LG Electronics Inc. and its subsidiaries and joint ventures <sup>1</sup>	16,308	-	14,313	326,327	356,948
Others	3,839	-	2,463	8,615	14,917
<b>Total</b>	₩ 108,318	₩ -	₩ 49,034	₩ 882,222	₩ 1,039,574

<sup>1</sup> The warranty provision related to the recall of GM Bolt is not included in the above receivables and payables.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Fund transactions with related parties for the three-month period ended March 31, 2025 and 2024, are as follows:

(in millions of Korean won)

(in millions of Korean won)	2025													
					Equity contributions in cash (capital reduction) and others	Loans				Borrowings <sup>1</sup>				
						Loans	Repayment	Borrowings	Repayment					
Dividends received	Dividends paid													
Entity with a significant influence over the Group														
LG Corp.	₩	-	₩	-	₩	-	₩	-	₩	-	₩	-	₩	3,446
Associates and joint ventures														
SEETEC Co., Ltd.		10,000		-		-		-		-		769		359
Sam-A Aluminium Co., Ltd.		38		-		-		-		-		-		-
NEXPO Co., Ltd		-		-		2,375		-		-		-		-
Bricks Capital management Global Battery Private Equity Fund I		-		-		262		-		-		-		-
Subsidiary of the Group with significant influence:														
LG CNS Co., Ltd.		-		-		-		-		-		-		-
Affiliate within the same large enterprise group:														
LG Display America, Inc.		-		-		-		-		-		-		46
LG Electronics Deutschland GmbH		-		-		-		-		-		-		94
LG ELECTRONICS WROCLAW SP. Z O.O.		-		-		-		-		-		-		423
LG HOUSEHOLD & HEALTH CARE LTD		-		-		-		-		-		-		244
Total	₩	10,038	₩	-	₩	2,637	₩	-	₩	-	₩	769	₩	4,612

# LG Chem, Ltd. and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### March 31, 2025 and 2024 (Unaudited), and December 31, 2024

(in millions of Korean won)

	2024											
	Dividends received		Dividends paid		Equity contributions in cash (capital reduction) and others		Loans		Borrowings <sup>1</sup>			
							Loans	Repayment	Borrowings	Repayment		
<b>Entity with a significant influence over the Group</b>												
LG Corp.	₩	-	₩	-	₩	-	₩	-	₩	-	₩	3,155
<b>Associates and joint ventures</b>												
SEETEC Co., Ltd.		7,500		-		-		-		-	₩	356
NEXPO Co., Ltd.		-		-		1,900		-		-		-
Bricks Capital management Global Battery Private Equity Fund I		-		-		857		-		-		-
<b>Subsidiary of the Group with significant influence:</b>												
LG CNS Co., Ltd.		-		-		-		-		-	₩	213
<b>Affiliate within the same large enterprise group:</b>												
LG Display America, Inc.		-		-		-		-		-		49
LG Electronics Deutschland GmbH		-		-		-		-		-		85
LG ELECTRONICS WROCLAW SP. Z O.O.		-		-		-		-		-		390
LG Display Vietnam Haiphong Co. Ltd.		-		-		-		-		-	₩	13
LG HOUSEHOLD & HEALTH CARE LTD		-		-		-		-		-		239
<b>Total</b>	₩	7,500	₩	-	₩	2,757	₩	-	₩	-	₩	4,500

<sup>1</sup> The amounts represent lease liabilities that were recognized or repaid for the three-month period ended March 31, 2025 and 2024.

Compensation for key management of the Group for the three-month period ended March 31, 2025 and 2024, consists of:

(in millions of Korean won)

	March 31, 2025		March 31, 2024	
Short-term employee benefits	₩	29,277	₩	29,044
Post-employment benefits		3,234		4,378
<b>Total</b>	₩	32,511	₩	33,422

Key management includes directors and audit committee members having duties and responsibilities over planning, operations and controlling of the Group's business activities.



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

There is no loss allowance recognized against receivables from related parties as at March 31, 2025; therefore, there are no impairment losses recognized against the receivables from related parties for the three-month period ended March 31, 2025 and 2024.

As at March 31, 2025, there are no payment guarantees provided by the Group for related parties.

**32. Cash Flows**

Cash generated from operations for the three-month period ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>	<b>2024</b>
<b>Profit before income tax</b>		
Profit before income tax from continuing operations	₩ 443,896	₩ 323,304
Profit (loss) before income tax from discontinued operations	(21,452)	20,502
	<u>422,444</u>	<u>343,806</u>
<b>Adjustments for:</b>		
Depreciation	1,081,022	966,717
Amortization	137,916	110,299
Post-employment benefits	55,748	49,221
Finance income	(330,785)	(491,973)
Finance costs	319,751	569,697
Other foreign exchange differences	(11,530)	57,519
Loss on valuation of inventories	42,086	16,116
Gain on disposal of property, plant and equipment	(15,883)	(1,845)
Gain on disposal of intangible assets	-	(14)
Loss on disposal of property, plant and equipment	915	46,541
Loss on disposal of intangible assets	11,014	655
Impairment loss on property, plant and equipment	5,422	18,643
Impairment loss on property, plant and equipment (reversal of)	(1,453)	-
Impairment loss on intangible assets	309	125
Additions to provisions	196,635	215,510
Other income	74,777	(278,912)
Decrease (increase) in inventories	352,559	(179,058)
Decrease (increase) in trade receivables	(502,655)	175,566
Decrease (increase) in other receivables	19,183	(332,336)
Decrease (increase) in other current assets	469,070	(11,417)
Increase (decrease) in trade payables	566,543	(87,966)
Increase in other payables	(205,935)	(247,144)
Increase in other current liabilities	144,548	180,135
Decrease in provisions	(111,526)	(195,919)

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	2025	2024
Decrease in net defined benefit liabilities	(4,273)	(18,614)
Other cash flows from operations	(390,106)	(204,800)
<b>Cash generated from operations</b>	<b>₩ 2,325,796</b>	<b>₩ 700,552</b>

Changes in liabilities arising from financial activities for the three-month periods ended March 31, 2025 and 2024, are as follows:

(in millions of  
Korean won)

Korean won)		2025										
		As at January 1, 2025		Cash flows from financing activities	Non-cash transactions			As at March 31, 2025				
				Acquisition	Amortization	Others						
Short-term borrowings	₩	9,750,686	₩	386,863	₩	-	₩	8,159	₩	163,213	₩	10,308,921
Debentures		16,710,659		1,493,526		-		30,050		(23,677)		18,210,558
Lease liabilities		914,753		(37,428)		25,892		-		(19,964)		883,253
Other payables for the reverse factoring arrangement		439,604		(439,604)		-		-		610,736		610,736
	₩	27,815,702	₩	1,403,357	₩	25,892	₩	38,209	₩	730,308	₩	30,013,468

(in millions of  
Korean won)

<i>Korean won)</i>	2024											
	As at		Cash flows		Non-cash transactions			As at				
	January 1, 2024		from financing activities		Acquisition	Amortization	Others	March 31, 2024				
Short-term borrowings	₩	9,675,998	₩	84,827	₩	-	₩	6,183	₩	249,676	₩	10,016,684
Debentures		11,760,250		2,032,072		-		28,209		303,582		14,124,113
Lease liabilities		491,866		(28,906)		77,611		-		1,802		542,373
	₩	21,928,114	₩	2,087,993	₩	77,611	₩	34,392	₩	555,060	₩	24,683,170

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Significant non-cash transactions for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>		<b>2025</b>		<b>2024</b>
Reclassification of construction-in-progress	₩	824,426	₩	3,703,472
Reclassification of machinery-in-transit		24,063		94,628
Reclassification of long-term borrowings into current portion		2,081,840		1,322,902
Other payables related to acquisitions of property, plant and equipment and intangible assets		2,906,433		2,223,251
Reclassification of other payables under the reverse factoring arrangement		610,736		-
Reclassification of non-current assets held for sale		57		-
Other non-current financial liabilities related to acquisition of property, plant and equipment		1,248,392		-

**33. Segment Information**

General information about the Group's reportable segments is as follows:

<b>Segment</b>	<b>Products or services</b>
Petrochemicals	ABS, PC, PE, PP, Acrylic, Alcohol, SAP, PVC, Synthetic rubber, Special resin, BPA, Ethylene, Propylene and others
LG Energy solution	Mobile batteries, Automotive batteries, Electricity storage batteries and others
Advanced materials <sup>1</sup>	Engineering materials, Display materials, Cathode materials and Separator, RO membranes and others
Life sciences	Growth hormone, Vaccine, Antidiabetic, agricultural chemicals and others
Common and others	Crop protection products, Seeds, Fertilizers, General management, sales and R&D and others

<sup>1</sup> Management approved the disposal of LCD polarizer business and polarizer material business, and the related profit and loss are presented as discontinued operations are disclosed in Note 34.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Segment information on revenue, profit and loss for the three-month periods ended March 31, 2025 and 2024, are as follows:

(in millions of  
Korean won)

	2025					
	Petro-chemicals	LG Energy solution	Advanced materials	Life sciences	Common and others <sup>3</sup>	Total
Total segment revenue	₩ 4,781,483	₩ 6,264,995	₩ 1,489,844	₩ 285,621	₩ 248,287	₩ 13,070,230
Inter-segment revenue	97,717	2,944	785,718	1,784	11,052	899,215
Revenue from external customers <sup>1</sup>	4,683,766	6,262,051	704,126	283,837	237,235	12,171,015
Operating profit (loss) <sup>2</sup>	(56,479)	374,673	127,048	(13,377)	15,106	446,971
Depreciation and amortization	205,113	854,929	66,003	35,292	57,456	1,218,793

(in millions of  
Korean won)

	2024					
	Petro-chemicals	LG Energy solution	Advanced materials	Life sciences	Common and others <sup>3</sup>	Total
Total segment revenue	₩ 4,461,293	₩ 6,128,714	₩ 1,544,598	₩ 284,907	₩ 248,676	₩ 12,668,188
Inter-segment revenue	137,980	3,632	902,228	12,576	2,340	1,058,756
Revenue from external customers <sup>1</sup>	4,323,313	6,125,082	642,370	272,331	246,336	11,609,432
Operating profit (loss) <sup>2</sup>	(21,401)	157,337	132,379	3,283	(6,967)	264,631
Depreciation and amortization	261,055	654,861	52,913	37,333	62,174	1,068,336

<sup>1</sup> Revenue from external customers consists of sales of goods. Interest income and dividend income are included in finance income.

<sup>2</sup> Management assesses the performance of the operating segments based on a measurement of operating profit of segment.

<sup>3</sup> Common and other segments include operating segments not qualifying as a reportable segment, supporting divisions as well as R&D divisions.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Segment information on assets and liabilities as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of  
Korean won)

	March 31, 2025					
	Petro-chemicals	LG Energy solution	Advanced materials	Life sciences	Common and others	Total
Reportable segment asset <sup>1</sup>	₩ 16,889,012	₩ 62,298,978	₩ 7,620,161	₩ 2,428,748	₩ 5,853,731	₩ 95,090,630
Investments in associates and joint ventures	50,866	64,489	639,192	17	150,130	904,694
Reportable segment liability <sup>1</sup>	5,904,599	31,028,433	2,589,908	444,555	7,016,801	46,984,296

(in millions of  
Korean won)

	December 31, 2024					
	Petro-chemicals	LG Energy solution	Advanced materials	Life sciences	Common and others	Total
Reportable segment asset <sup>1</sup>	₩ 16,524,141	₩ 60,306,791	₩ 7,652,487	₩ 2,455,872	₩ 6,918,471	₩ 93,857,762
Investments in associates and joint ventures	50,934	62,389	627,283	17	157,770	898,393
Reportable segment liability <sup>1</sup>	5,348,546	29,340,248	2,643,680	473,121	8,056,704	45,862,299

<sup>1</sup> Assets and liabilities are measured in a manner consistent with those in the financial statements, and allocated on the basis of segment operation.

The external sales and non-current assets by geographical segments from continuing operations for the three-month periods ended March 31, 2025 and 2024, and as at March 31, 2025 and December 31, 2024, are as follows:

(in millions of Korean won)

	Sales		Non-current assets <sup>1</sup>	
	2025	2024	March 31, 2025	December 31, 2024
Korea <sup>2</sup>	₩ 2,824,956	₩ 2,449,723	₩ 20,183,245	₩ 20,165,226
China	2,739,568	3,011,468	4,787,110	4,989,625
Asia/Oceania	1,477,862	1,318,668	1,783,214	1,818,245
America	2,832,087	2,524,512	28,552,677	26,294,590
Europe	2,272,944	2,286,279	5,160,075	5,020,309
Others	23,598	18,782	-	-
<b>Total</b>	<b>₩ 12,171,015</b>	<b>₩ 11,609,432</b>	<b>₩ 60,466,321</b>	<b>₩ 58,287,995</b>

<sup>1</sup> Represents aggregate amount of property, plant and equipment, intangible assets and investment properties.

<sup>2</sup> Domestic sales include the exports made through local letters of credit.

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

During the three-month period ended March 31, 2025, revenue to single external customers accounting for more than 10% of the Group's revenue was ₩ 1,286,967 million (2024: ₩ 1,467,480 million).

**34. Assets and Liabilities Held for Sale and Discontinued Operations**

**34.1 Assets and Liabilities Held for Sale**

In accordance with the final approval of management, the Group decided to dispose of polarizer and related material business (September 2023) and was sold in December 2024.

Meanwhile, sale of the sulfuric acid and steam manufacturing business of FarmHannong Co., Ltd. was finalized in July 2024.

Details of assets and liabilities of disposal group classified as held for sale as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Assets of disposal group</b>				
Property, plant and equipment	₩	57	₩	74
	₩	57	₩	74

As the net fair value of the assets of the disposal group is expected to exceed the carrying amount, there is no impairment loss recognized for the disposal group classified as assets held for sale as at March 31, 2025.

**34.2 Discontinued Operations**

The Group decided to sell polarizer and related material business with the resolution of the board of directors in September 2023 and then classified the related business as discontinued operations as at September 2023. The sale of the polarizer and related material business was finalized in December 2024. Also, the Group decided to discontinue glass substrate business with the resolution of the board of directors in January 2020 and, substantially, discontinued the related business as of March 2020. Accordingly, the profit and loss from the related operations are presented as discontinued operations.

Comprehensive income information from discontinued operation for the three-month periods ended March 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>		<b>2025</b>	
	<b>Glass substrate</b>	<b>Polarizer and related material</b>	<b>Total</b>
Revenue	₩ -	₩ 1,685	₩ 1,685
Expense	(1,712)	(21,424)	(23,136)
Loss before income tax of discontinued operation	(1,712)	(19,739)	(21,451)
Income tax benefit	-	35	35
Loss after income tax of discontinued operations	₩ (1,712)	₩ (19,704)	₩ (21,416)

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

(in millions of Korean won)

	<b>2024</b>					
	<b>Glass substrate</b>		<b>Polarizer and related material</b>		<b>Total</b>	
Revenue	₩	-	₩	200,208	₩	200,208
Expense		(1,756)		(177,950)		(179,706)
Profit (loss) before income tax of discontinued operation		(1,756)		22,258		20,502
Income tax benefit (expense)		(331)		2,169		1,838
Profit (loss) after income tax of discontinued operations	₩	(2,087)	₩	24,427	₩	22,340

Net cash flows from discontinued operations for the three-month period ended March 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	<b>2025</b>					
	<b>Glass substrate</b>		<b>Polarizer and related material</b>		<b>Total</b>	
Net cash inflow (outflow) from operating activities	₩	(1,453)	₩	68,038	₩	66,585
Net cash inflow (outflow) from investing activities		(17)		135,873		135,856
Net cash outflow from financing activities		-		(200,474)		(200,474)

(in millions of Korean won)

	<b>2024</b>					
	<b>Glass substrate</b>		<b>Polarizer and related material</b>		<b>Total</b>	
Net cash outflow from operating activities	₩	(2,136)	₩	(1,234)	₩	(3,370)
Net cash inflow (outflow) from investing activities		684		(5,043)		(4,359)
Net cash inflow (outflow) from financing activities		-		-		-

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

**35. Assets and Liabilities related to Contracts with Customers**

Assets and liabilities related to contracts with customers as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Contract assets</b>				
Due from customers for contract work	₩	59,909	₩	77,237
<b>Total contract assets</b>	₩	59,909	₩	77,237
<b>Contract liabilities</b>				
Advances in relation to revenue from the Group's main business activities	₩	2,482,856	₩	2,287,911
Expected customer incentives		69,465		5,438
Unearned revenue		57,311		62,879
Due to customers for contract work		38,182		7,377
<b>Total contract liabilities</b>	₩	2,647,814	₩	2,363,605

*Revenue recognized in relation to contract liabilities.*

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in the prior periods.

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>March 31, 2024</b>	
Revenue recognized in the current period from the contract liabilities balance at the beginning of the period	₩	346,246	₩	79,800
Advances received in relation to revenue from the Group's main business activities		338,947		63,252
Unearned revenue		6,789		16,548
Due to customers for contract work		510		-
Revenue recognized from performance obligations satisfied in previous periods		-		-

Changes in estimates during the current period for the total contract amount and total contract costs related to contracts in which revenue is recognized over the period by applying the cost-based input method at the end of the prior year, and the impact of such changes in estimates on profits and losses and contract assets(liabilities) for the current and future periods are as follows.

(in millions of Korean won)		2025							
Change in estimate of total contract amount		Changes in total contract cost estimates		Effect on Profit or Loss		Effect on future profit or loss		Changes in contract assets	
₩	4,503	₩	2,713	₩	2,681	₩	(891)	₩	2,681



**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

Costs to fulfil a contract as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
Costs to fulfil a contract	₩	466,064	₩	328,943

Costs to fulfil a contract are setup cost related to contracts with customers and are recognized as cost of sales when the Group fulfils its performance obligations. Costs to fulfil a contract recognized as cost of sales during the current period were ₩ 15,950 million (2024: ₩ 7,312 million).

### 36. Investment Properties

Details of investment properties as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>				<b>December 31, 2024</b>			
	Cost	Accumulated depreciation	Accumulated impairment	Book amount	Cost	Accumulated depreciation	Accumulated impairment	Book amount
Land	₩ 6,696	₩ (91)	₩ (497)	₩ 6,108	₩ 6,696	₩ (88)	₩ (497)	₩ 6,111
Buildings	133,783	(24,489)	(18,239)	91,055	133,989	(23,673)	(18,240)	92,076
<b>Total</b>	<b>₩ 140,479</b>	<b>₩ (24,580)</b>	<b>₩ (18,736)</b>	<b>₩ 97,163</b>	<b>₩ 140,685</b>	<b>₩ (23,761)</b>	<b>₩ (18,737)</b>	<b>₩ 98,187</b>

Changes in investment properties for the three-month period ended March 31, 2025 and for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>			<b>December 31, 2024</b>		
	Land	Building	Total	Land	Building	Total
Beginning balance	₩ 6,111	₩ 92,076	₩ 98,187	₩ 3,903	₩ 85,047	₩ 88,950
Acquisitions/transfers	-	-	-	2,222	10,985	13,207
Disposals/transfers	-	(126)	(126)	(1)	(216)	(217)
Depreciation	(3)	(895)	(898)	(13)	(3,740)	(3,753)
Ending balance	₩ 6,108	₩ 91,055	₩ 97,163	₩ 6,111	₩ 92,076	₩ 98,187

The fair value of investment properties is measured either by independent professional appraisers with certified qualification or measured based on official appraised value of land and available information from recent transactions of similar properties, and it is classified as 'Level 3' of the fair value hierarchy. The fair value of investment properties as at March 31, 2025, is ₩ 113,570 million (December 31, 2024: ₩ 113,997 million).

During the year ended March 31, 2025, rental income from investment properties under operating lease is ₩ 1,055 million (2024: ₩ 1,189 million), and operating expenses incurred for investment properties that generated rental income (including maintenance and repair expenses) are ₩ 1,117 million (2024: ₩ 1,040 million). During the three-month period ended March 31, 2025, there are no operating expenses incurred for investment properties that do not generate rental income (including maintenance and repair expenses).

**LG Chem, Ltd. and Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

*Operating lease*

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

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

The future minimum lease payments expected to be received in relation to the above operating lease agreement for investment properties as at March 31, 2025 and December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Within one year	₩ 4,083	₩ 3,952
Within two years	3,308	3,799
Within five years	1,613	2,145
<b>Total</b>	<u>₩ 9,004</u>	<u>₩ 9,896</u>

**37. Business Combination**

(a) During the year ended December 31, 2024, the Group included PT.HLI Green Power, which was previously a joint venture on August 1, 2024, in consolidation since it is considered to have control as the Group can exercise the majority voting rights in its decision-making process and has the ability to use power to affect the returns of the investee through its involvement in the production and cost management and other activities in accordance with the changes of shareholder's agreement.

Details of assets and liabilities recognized at the date of acquisition of PT. HLI Green Power for the year ended December 31, 2024, are as follows:

<i>(in millions of Korean won)</i>	<b>Amount</b>
<b>Consideration transferred</b>	
Carrying amount of the previously held interest before the business combination	₩ <u>191,187</u>
<b>Identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	₩ 59,825
Trade and other receivables	118,338
Inventories	144,834
Property, plant and equipment	1,026,339
Intangible assets	149,067
Other assets	44,615
Trade and non-trade payables	(293,584)
Other payables	<u>(846,472)</u>
Net identifiable assets	<u>402,962</u>
Non-controlling interests	<u>201,481</u>
Goodwill (gain from a bargain purchase)	<u>(10,294)</u>

# **LG Chem, Ltd. and Subsidiaries**

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

### **March 31, 2025 and 2024 (Unaudited), and December 31, 2024**

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Had PT.HLI Green Power been consolidated from January 1, 2024, the consolidated statement of comprehensive income would have shown a revenue of ₩ 11,608,970 million and net profit for the period of ₩ 321,065 million.

#### **38. Events After the Reporting Period**

The Group decided to issue non-guaranteed bonds in USD currency by resolution of the management committee held on February 28, 2025. Accordingly, the Group issued bonds in USD of USD 2,000 million on April 2, 2025.

<i>(in millions of USD)</i>	<b>Maturity date</b>	<b>Amount</b>	
Non-guaranteed bonds in USD (3 years maturity)	2028.04.02	USD	400
Non-guaranteed bonds in USD (5 years maturity)	2030.04.02	USD	900
Non-guaranteed global green bonds in USD (10 years maturity)	2035.04.02	USD	700