

# **LG Electronics**

**Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021**

	<b>Page(s)</b>
<b>Report on Review of Interim Financial Statements</b> .....	1 - 2
<b>Consolidated Interim Financial Statements</b>	
Consolidated Interim Statements of Financial Position .....	3 - 4
Consolidated Interim Statements of Profit or Loss .....	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 Consolidated Interim Financial Statements .....	9 - 89



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

(English Translation of a Report Originally Issued in Korean)

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

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

We have reviewed the accompanying consolidated interim financial statements of LG Electronics Inc. and its subsidiaries (collectively referred to as the "Group"). These financial statements consist of the consolidated interim statement of financial position of the Group as at June 30, 2022, and the related consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods ended June 30, 2022 and 2021, and consolidated interim statements of changes in equity and cash flows for the six-month periods ended June 30, 2022 and 2021, and a summary of significant accounting policies and other explanatory notes, expressed in Korean won.

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

Management is responsible for the preparation and fair presentation of these 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 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 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 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, 2021, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements, not presented herein, in our audit report dated March 15, 2022. The consolidated statement of financial position as at December 31, 2021, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2021.

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.

August 12, 2022  
Seoul, Korea

This report is effective as of August 12, 2022, 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 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 Electronics**  
**Consolidated Interim Statements of Financial Position**  
**June 30, 2022 and December 31, 2021**

<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>June 30, 2022</b> <b>(Unaudited)</b>	<b>December 31, 2021</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5,32	6,482,932	6,051,516
Deposits held by financial institutions	5,32	152,473	146,456
Trade receivables	5,6,32	8,563,474	8,166,459
Other receivables	5,6,32	666,819	489,056
Other financial assets	5,7,32	27,321	18,276
Inventories	8	9,684,438	9,754,018
Current tax assets		213,891	179,289
Contract assets	9	758,306	612,754
Other current assets		1,838,036	1,889,859
Assets held for sale	34	66,729	180,080
		<u>28,454,419</u>	<u>27,487,763</u>
<b>Non-current assets</b>			
Deposits held by financial institutions	5,32	58,888	58,935
Trade receivables	5,6,32	81,612	25,078
Other receivables	5,6,32	670,739	671,903
Other financial assets	5,7,32	371,609	223,578
Property, plant and equipment	10	15,428,498	14,700,784
Intangible assets	10	2,452,940	2,443,249
Deferred tax assets		1,889,975	2,085,710
Investments in associates and joint ventures	11	5,112,121	5,149,244
Investment properties		365	370
Net defined benefit assets	14	235,158	5,779
Contract assets	9	312,716	296,712
Other non-current assets		299,757	332,373
		<u>26,914,378</u>	<u>25,993,715</u>
<b>Total assets</b>		<u>55,368,797</u>	<u>53,481,478</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	5,32	7,938,366	8,741,937
Borrowings	5,12,32	2,038,828	1,895,600
Lease liabilities	5,13,32	299,943	292,526
Other payables	5,32	4,164,469	4,077,421
Other financial liabilities	5,7,32	3,296	8,512
Current tax liabilities		290,757	394,591
Provisions	15	1,947,327	2,609,284
Contract liabilities	9	1,618,026	1,453,996
Other current liabilities		3,809,842	4,146,032
		<u>22,110,854</u>	<u>23,619,899</u>
<b>Non-current liabilities</b>			
Borrowings	5,12,32	8,382,509	8,035,953
Lease liabilities	5,13,32	763,230	662,896
Other payables	5,32	127,673	116,330
Other financial liabilities	5,7,32	6,804	59,790
Deferred tax liabilities		44,262	37,052
Net defined benefit liabilities	14	97,400	201,878
Provisions	15	321,101	373,725
Contract liabilities	9	49,334	47,386
Other non-current liabilities		212,605	228,536
		<u>10,004,918</u>	<u>9,763,546</u>
<b>Total liabilities</b>		<u>32,115,772</u>	<u>33,383,445</u>

**LG Electronics**  
**Consolidated Interim Statements of Financial Position**  
**June 30, 2022 and December 31, 2021**

<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>June 30, 2022</b> <b>(Unaudited)</b>	<b>December 31, 2021</b>
<b>Equity</b>			
Paid-in capital:	16		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	17	16,117,459	14,433,587
Accumulated other comprehensive income (loss)	18	10,398	(1,118,913)
Accumulated other comprehensive income (loss) from assets held for sale	34	6,393	12,299
Other components of equity	19	(88,170)	(88,678)
<b>Equity attributable to owners of the Parent Company</b>		<u>20,038,428</u>	<u>17,230,643</u>
<b>Non-controlling interests</b>		<u>3,214,597</u>	<u>2,867,390</u>
<b>Total equity</b>		<u>23,253,025</u>	<u>20,098,033</u>
<b>Total liabilities and equity</b>		<u>55,368,797</u>	<u>53,481,478</u>

**LG Electronics**  
**Consolidated Interim Statements of Profit or Loss**  
**Three-month and Six-month Periods Ended June 30, 2022 and 2021**

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

	Notes	Period Ended June 30			
		2022 (Unaudited)		2021 (Unaudited)	
		Three months	Six months	Three months	Six months
<b>Continuing operations</b>					
<b>Net sales</b>	20	19,464,043	40,433,045	16,932,211	34,565,350
<b>Cost of sales</b>	21	14,457,730	29,476,244	12,403,364	25,234,171
<b>Gross profit</b>		5,006,313	10,956,801	4,528,847	9,331,179
Selling and marketing expenses	21,22	2,779,564	5,367,997	2,188,009	4,140,160
Administrative expenses	21,22	429,998	865,631	327,568	631,409
Research and development expenses	21,22	585,526	1,134,736	484,953	916,759
Service costs	21,22	418,971	853,293	628,216	926,944
<b>Operating profit</b>		792,254	2,735,144	900,101	2,715,907
Financial income	23	248,909	480,417	95,021	270,708
Financial expenses	24	321,168	551,117	131,092	293,621
Gain (Loss) from equity method valuation	11	(148,900)	(139,360)	142,332	225,907
Other non-operating income	25	743,014	1,515,575	325,199	775,357
Other non-operating expenses	26	709,948	1,370,523	231,674	744,246
Profit (Loss) before income tax		604,161	2,670,136	1,099,887	2,950,012
Income tax expense		195,007	754,792	284,880	706,286
<b>Profit (Loss) from continuing operations</b>		409,154	1,915,344	815,007	2,243,726
<b>Discontinued operations</b>					
Profit (Loss) from discontinued operations	35	(71,122)	(176,311)	(1,106,972)	(1,366,546)
<b>Profit (Loss) for the period</b>		<u>338,032</u>	<u>1,739,033</u>	<u>(291,965)</u>	<u>877,180</u>
<b>Profit (Loss) for the period attributable to:</b>					
Owners of the Parent Company					
Profit (Loss) from continuing operations		264,104	1,595,891	713,726	1,970,964
Profit (Loss) from discontinued operations		(71,074)	(176,235)	(1,103,841)	(1,362,810)
		<u>193,030</u>	<u>1,419,656</u>	<u>(390,115)</u>	<u>608,154</u>
Non-controlling interests					
Profit (Loss) from continuing operations		145,050	319,453	101,281	272,762
Profit (Loss) from discontinued operations		(48)	(76)	(3,131)	(3,736)
		<u>145,002</u>	<u>319,377</u>	<u>98,150</u>	<u>269,026</u>
<b>Earnings (Losses) per share attributable to owners of the Parent Company during the period (in Korean won)</b>					
Earnings (losses) per ordinary share					
From continuing operations		1,465	8,860	3,962	10,943
From discontinued operations		(395)	(979)	(6,130)	(7,568)
		<u>1,070</u>	<u>7,881</u>	<u>(2,168)</u>	<u>3,375</u>
Earnings (losses) per preferred share					
From continuing operations		1,478	8,885	3,975	10,968
From discontinued operations		(395)	(979)	(6,130)	(7,568)
		<u>1,083</u>	<u>7,906</u>	<u>(2,155)</u>	<u>3,400</u>

**LG Electronics**  
**Consolidated Interim Statements of Comprehensive Income**  
**Three-month and Six-month Periods Ended June 30, 2022 and 2021**

(in millions of Korean won)

	Notes	Period Ended June 30			
		2022 (Unaudited)		2021 (Unaudited)	
		Three months	Six months	Three months	Six months
<b>Profit (Loss) for the period</b>		338,032	1,739,033	(291,965)	877,180
<b>Other comprehensive income (loss), net of tax</b>					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurements of the net defined benefit liability	14	215,443	404,527	3,081	90,540
Share of remeasurements of associates	11	57,754	56,400	(945)	(2,385)
Financial assets at fair value through other comprehensive income	7	(11,231)	(16,350)	(6,025)	(15,435)
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	52,742	107,695	28,813	103,445
Cash flow hedges	32	33,255	85,415	11,022	38,644
Exchange differences on translation of foreign operations		714,562	1,002,231	160,917	349,059
<b>Other comprehensive income (loss) for the period, net of tax</b>		1,062,525	1,639,918	196,863	563,868
<b>Total comprehensive income (loss) for the period, net of tax</b>		1,400,557	3,378,951	(95,102)	1,441,048
<b>Total comprehensive income (loss) for the period, net of tax, attributable to:</b>					
Owners of the Parent Company		1,195,611	2,961,192	(202,108)	1,134,842
Non-controlling interests		204,946	417,759	107,006	306,206
<b>Total comprehensive income (loss) for the period, net of tax</b>		1,400,557	3,378,951	(95,102)	1,441,048



**LG Electronics**  
**Consolidated Interim Statements of Changes in Equity**  
**Six-month Periods Ended June 30, 2022 and 2021**

		Attributable to Owners of the Parent Company								
				Accumulated Other Comprehensive Income (Loss) from Assets Held for Sale	Accumulated Other Comprehensive Income (Loss) from Assets Held for Sale	Other Components of Equity		Non-controlling Interests	Total Equity	
(in millions of Korean won)	Notes	Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Comprehensive Income (Loss) from Assets Held for Sale	Other Components of Equity	Total			
<b>Balance at January 1, 2021</b>		3,992,348	13,652,837	(1,994,842)	(3,079)	(209,764)	15,437,500	2,104,625	17,542,125	
<b>Total comprehensive income (loss):</b>										
Profit (Loss) for the period		-	608,154	-	-	-	608,154	269,026	877,180	
Remeasurements of the net defined benefit liability	14	-	84,590	-	-	-	84,590	5,950	90,540	
Share of remeasurements of associates	11	-	(2,385)	-	-	-	(2,385)	-	(2,385)	
Financial assets at fair value through other comprehensive income	7	-	-	(15,409)	-	-	(15,409)	(26)	(15,435)	
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	-	-	103,445	-	-	103,445	-	103,445	
Cash flow hedges	32	-	-	38,580	-	-	38,580	64	38,644	
Exchange differences on translation of foreign operations		-	-	316,659	1,208	-	317,867	31,192	349,059	
<b>Total comprehensive income (loss):</b>		-	690,359	443,275	1,208	-	1,134,842	306,206	1,441,048	
<b>Transactions with owners:</b>										
Dividends	17	-	(216,938)	-	-	-	(216,938)	(51,139)	(268,077)	
Changes in controlling interests in subsidiaries		-	-	-	-	-	-	(13,449)	(13,449)	
<b>Total transactions with owners</b>		-	(216,938)	-	-	-	(216,938)	(64,588)	(281,526)	
<b>Balance at June 30, 2021 (Unaudited)</b>		3,992,348	14,126,258	(1,551,567)	(1,871)	(209,764)	16,355,404	2,346,243	18,701,647	
<b>Balance at January 1, 2022</b>		3,992,348	14,433,587	(1,118,913)	12,299	(88,678)	17,230,643	2,867,390	20,098,033	
<b>Total comprehensive income (loss):</b>										
Profit (Loss) for the period		-	1,419,656	-	-	-	1,419,656	319,377	1,739,033	
Remeasurements of the net defined benefit liability	14	-	361,731	-	-	-	361,731	42,796	404,527	
Share of remeasurements of associates	11	-	56,400	-	-	-	56,400	-	56,400	
Financial assets at fair value through other comprehensive income	7	-	-	(16,497)	-	-	(16,497)	147	(16,350)	
Share of other comprehensive income (excluding remeasurements) of associates and joint ventures	11	-	-	107,695	-	-	107,695	-	107,695	
Cash flow hedges	32	-	-	82,919	-	-	82,919	2,496	85,415	
Exchange differences on translation of foreign operations		-	-	955,194	(5,906)	-	949,288	52,943	1,002,231	
<b>Total comprehensive income (loss)</b>		-	1,837,787	1,129,311	(5,906)	-	2,961,192	417,759	3,378,951	
<b>Transactions with owners:</b>										
Dividends	17	-	(153,915)	-	-	-	(153,915)	(71,857)	(225,772)	
Changes in controlling interests in subsidiaries		-	-	-	-	508	508	1,305	1,813	
<b>Total transactions with owners</b>		-	(153,915)	-	-	508	(153,407)	(70,552)	(223,959)	
<b>Balance at June 30, 2022 (Unaudited)</b>		3,992,348	16,117,459	10,398	6,393	(88,170)	20,038,428	3,214,597	23,253,025	

## LG Electronics

### Consolidated Interim Statements of Cash Flows Six-month Periods Ended June 30, 2022 and 2021

(in millions of Korean won)

	Notes	Six-month Period Ended June 30	
		2022 (Unaudited)	2021 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	28	2,403,601	2,118,513
Interest received		54,054	36,119
Interest paid		(169,421)	(159,998)
Dividend received		91,511	514
Income tax paid		(744,017)	(327,640)
<b>Net cash inflow (outflow) from operating activities</b>		<b>1,635,728</b>	<b>1,667,508</b>
<b>Cash flows from investing activities</b>			
Decrease in deposits held by financial institutions		5,078	3,621
Decrease in other receivables		80,925	41,705
Proceeds from redemption and disposal of other financial assets		41,493	20,445
Proceeds from disposal of property, plant and equipment		20,848	17,199
Proceeds from disposal of intangible assets		42,667	3,737
Proceeds from disposal of assets held for sale		301,283	61,895
Transfer of business		39,060	-
Increase in deposits held by financial institutions		(4,195)	(1,106)
Increase in other receivables		(81,233)	(69,470)
Acquisition of other financial assets		(118,566)	(43,428)
Acquisition of property, plant and equipment		(1,379,886)	(980,275)
Acquisition of intangible assets		(282,460)	(200,848)
Acquisition of investments in associates and joint ventures		(34,031)	(19,840)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(1,369,017)</b>	<b>(1,166,365)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		2,365,430	998,033
Increase in non-controlling interests		1	-
Repayments of borrowings		(2,050,165)	(892,057)
Repayments of lease liabilities		(164,768)	(148,425)
Dividends paid and others		(225,772)	(274,116)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(75,274)</b>	<b>(316,565)</b>
Effects of exchange rate changes on cash and cash equivalents		181,608	107,849
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>373,045</b>	<b>292,427</b>
Cash and cash equivalents included in assets held for sale at the beginning of the period		58,371	53,586
Cash and cash equivalents at the beginning of the period		6,051,516	5,896,309
Cash and cash equivalents included in assets held for sale at the end of the period		-	(56,021)
<b>Cash and cash equivalents at the end of the period</b>		<b>6,482,932</b>	<b>6,186,301</b>

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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### 1. General Information

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

As at June 30, 2022, LG Corp. owns 33.7% of the Parent Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Parent Company and its subsidiaries (collectively referred to as the “Group”) operate following five major business segments: Home Appliance & Air Solution segment manufactures and sells refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; Home Entertainment segment manufactures and sells TVs and digital media products; Vehicle component Solutions segment designs and manufactures automobile parts; Business Solutions segment manufactures and sells monitors, PCs, information displays and others; and LG Innotek Co., Ltd. operates optics solutions, substrate materials and automotive components businesses. As at June 30, 2022, the Parent Company has 137 subsidiaries (Note 1 (a)), 19 associates and joint ventures (Note 11).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(a) Consolidated subsidiaries as at June 30, 2022 and December 31, 2021, are as follows:

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
The Republic of Korea	Korea	Hiplaza Co., Ltd.	100.0%	-	100.0%	-	December	Wholesales and retails of electronic products	More than half of voting rights
	Korea	ACE R&A Co., Ltd.	100.0%	-	100.0%	-	December	Production and sales of air conditioner	More than half of voting rights
	Korea	Hi M Solutek Co., Ltd.	100.0%	-	100.0%	-	December	Maintenance	More than half of voting rights
	Korea	Hi-Caresolution Corp.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Korea	Hi Teleservice Co., Ltd.	100.0%	-	100.0%	-	December	Marketing services	More than half of voting rights
	Korea	LG Innotek Co., Ltd. <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
	Korea	Innowith Co., Ltd. <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Services	De-facto control
	Korea	Hanuri Co., Ltd.	100.0%	-	100.0%	-	December	Business facility maintenance	More than half of voting rights
	Korea	ZKW Lighting Systems Korea Co., Ltd.	70.0%	30.0%	70.0%	30.0%	December	R&D	More than half of voting rights
	Korea	LG Magna e-Powertrain Co., Ltd.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights
China	China	LG Electronics (China) Co., Ltd.(LGECH)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	China	LG Electronics (China) Research and Development Center Co., Ltd.(LGERD)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	China	LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
China		LG ELECTRONICS HK LIMITED(LGEHK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
China		LG Electronics (Huizhou) Inc.(LGEHZ)	80.0%	20.0%	80.0%	20.0%	December	Production of electronic products	More than half of voting rights
China		LG Electronics Nanjing Battery Pack Co.,Ltd.(LGENB)	84.1%	15.9%	84.1%	15.9%	December	Production of electronic products	De-facto control
China		LG Electronics Nanjing New Technology Co.,LTD(LGENT)	70.0%	30.0%	70.0%	30.0%	December	Production of electronic products	More than half of voting rights
China		LG Electronics Nanjing Vehicle Components Co.,Ltd.(LGENV)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
China		LG Electronics (Qinhuangdao) Co.,LTD(LGEQH)	100.0%	-	100.0%	-	December	Production of casting	More than half of voting rights
China		LG Electronics (Shenyang) Inc(LGESY)	78.9%	21.1%	78.9%	21.1%	December	Production of electronic products	More than half of voting rights
China		LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	80.0%	20.0%	80.0%	20.0%	December	Production of electronic products	More than half of voting rights
China		Nanjing LG Panda Appliances Co., Ltd(LGEPN)	70.0%	30.0%	70.0%	30.0%	December	Production of electronic products	More than half of voting rights
China		Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
China		QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO.,LTD.	80.0%	20.0%	80.0%	20.0%	December	Installation and sales of air conditioners	More than half of voting rights
China		LG Innotek Yantai Co.,Ltd.(LGITYT) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
China		LG Innotek Trading (Shanghai) Co.,Ltd.(LGITSH) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic materials	De-facto control

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
Asia	China	ZKW Lighting Systems (Dalian) Co. Ltd.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	China	LG Magna Nanjing e-Powertrain Vehicle Components Co., Ltd.	51.0%	49.0%	51.0%	49.0%	December	Production and sales of vehicle components	More than half of voting rights
	Australia	LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	India	LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL) <sup>4</sup>	100.0%	-	100.0%	-	March	Production and sales of electronic products	More than half of voting rights
	Japan	LG Japan Lab. Inc.(LGJL)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Japan	LG Electronics Japan, Inc.(LGEJP)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Malaysia	LG Electronics (M) Sdn. Bhd(LGEML)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Philippines	LG Electronics Philippines Inc.(LGEPH)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Singapore	LG Electronics Singapore Pte.Ltd.(LGESL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Taiwan	LG Electronics Taiwan Taipei Co., Ltd.(LGETT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Thailand	LG Electronics (Thailand) Company Limited(LGETH)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	India	LG Soft India Private Limited.(LGS1) <sup>4</sup>	100.0%	-	100.0%	-	March	R&D	More than half of voting rights
	Indonesia	P.T. LG Electronics Indonesia(LGEIN)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Philippines	LG Electronics Pasig Inc. <sup>3</sup>	38.0%	62.0%	38.0%	62.0%	December	Real estates	De-facto control
Indonesia	PT. LG Innotek Indonesia(LGITIN) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control	

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Taiwan	LG Innotek (Taiwan) Co., Ltd.(LGITTW) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic materials	De-facto control
	Vietnam	LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
	Vietnam	LG Electronics Vietnam Hai Phong Co., Ltd.(LGEVH)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Indonesia	PT. LG Electronics Service Indonesia(LGEID)	99.8%	0.2%	99.8%	0.2%	December	Services	More than half of voting rights
	Philippines	HI-M SOLUTEK PHILIPPINES INC.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Vietnam	HI-M SOLUTEK VIETNAM CO., LTD.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	India	Alphonso Labs Private Limited <sup>4</sup>	57.0%	43.0%	57.8%	42.2%	March	R&D	More than half of voting rights
	Indonesia	PT LGE INDONESIA RESEARCH AND DEVELOPMENT CENTER (LGEIC)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Japan	Cybellum Technologies Ltd.	69.5%	30.5%	69.6%	30.4%	December	Development and sales of automotive security solutions	More than half of voting rights
Europe	Netherlands	LG Electronics Benelux Sales B.V.(LGEBN)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Germany	LG Electronics Deutschland GmbH(LGEDG)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Spain	LG Electronics Espana S.A.(LGEES)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Netherlands	LG Electronics European Holding B.V.(LGEEH)	100.0%	-	100.0%	-	December	European holding	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Netherlands	LG Electronics European Shared Service Center B.V.(LGESC)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	France	LG Electronics France S.A.S(LGEFS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Greece	LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Italy	LG Electronics Italia S.P.A.(LGEIS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Latvia	LG Electronics Latvia LTD(LGELA)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Hungary	LG Electronics Magyar K.F.T.(LGEMK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Mlawa Sp. z.O.O.(LGEMA)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	Sweden	LG Electronics Nordic AB(LGESW)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Polska Sp. Z.O.O(LGEPL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Portugal	LG Electronics Portugal S.A.(LGEPT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UK	LG Electronics U.K. LTD(LGEUK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Poland	LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	Finland	LG Electronics Finland Lab Oy(LGEFL)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	Poland	LG Innotek Poland Sp. z.o. o.(LGITPO) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	German	LG Electronics Vehicle Components Europe GmbH (LGEVG)	100.0%	-	100.0%	-	December	Sales of vehicle components	More than half of voting rights
	Austria	ZKW Holding GmbH	70.0%	30.0%	70.0%	30.0%	December	Holding company	More than half of voting rights
	Austria	ZKW Group GmbH	70.0%	30.0%	70.0%	30.0%	December	Services	More than half of voting rights
	Austria	ZKW Elektronik GmbH	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Austria	ZKW Lichtsysteme GmbH	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Austria	ZKW Austria Immobilien Holding GmbH	70.0%	30.0%	70.0%	30.0%	December	Holding company	More than half of voting rights
	Austria	ZKW Austria Immobilien GmbH	70.0%	30.0%	70.0%	30.0%	December	Real estates	More than half of voting rights
	Slovakia	ZKW Slovakia s.r.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Czech	KES - kabelove a elektricke systemy spol. s.r.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	Czech	ZKW Automotive Engineering CZ s.r.o.	70.0%	30.0%	70.0%	30.0%	December	R&D	More than half of voting rights
	Poland	KES Poland Sp.z o.o.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Poland	HI-M SOLUTEK POLAND Sp. z o.o.	100.0%	-	100.0%	0.0%	December	Services	More than half of voting rights
	Hungary	ACE R&A Hungary Limited Liability Company	100.0%	-	-	-	December	Production and sales of air conditioner	More than half of voting rights
	UK	Alphonso UK Limited	57.0%	43.0%	-	-	December	Advertisement	More than half of voting rights
North America	USA	LG Electronics Alabama Inc.(LGEAI)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Canada	LG Electronics Canada, Inc.(LGECL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Mexico	LG Electronics Mexico S.A. DE C.V.(LGEMS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Mexico	LG Electronics Reynosa, S.A. De C.V.(LGERS)	100.0%	-	100.0%	-	December	Production of electronic products	More than half of voting rights
	USA	LG Electronics U.S.A., Inc.(LGEUS)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	USA	Zenith Electronics LLC(Zenith)	100.0%	-	100.0%	-	December	R&D	More than half of voting rights
	USA	LG Innotek USA, Inc.(LGITUS) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Sales of electrical/electronic materials	De-facto control
	Mexico	LG Innotek Mexico SA DE CV(LGITMX) <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Production and sales of electrical/electronic materials	De-facto control
	USA	LG Electronics Vehicle Components U.S.A., LLC.(LGEVU)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	USA	LGEUS Power, LLC	100.0%	-	100.0%	-	December	Investment of solar power plant	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	USA	LG Electronics Fund I LLC	100.0%	-	100.0%	-	December	Investment in technology start-ups	More than half of voting rights
	USA	LG Technology Ventures LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	USA	LG Electronics New Jersey, LLC	100.0%	-	100.0%	-	December	Real estates	More than half of voting rights
	USA	ZKW Lighting Systems USA, Inc.	70.0%	30.0%	70.0%	30.0%	December	Sales of vehicle components	More than half of voting rights
	Mexico	ZKW Mexico Inmobiliaria, S.A. de C.V.	70.0%	30.0%	70.0%	30.0%	December	Real estates	More than half of voting rights
	Mexico	ZKW Mexico, S.A. de C.V.	70.0%	30.0%	70.0%	30.0%	December	Production and sales of vehicle components	More than half of voting rights
	USA	LG Magna e-Powertrain USA Inc.	51.0%	49.0%	51.0%	49.0%	December	Sales of vehicle components	More than half of voting rights
	USA	Alphonso Inc.	57.0%	43.0%	57.8%	42.2%	December	Advertisement	More than half of voting rights
	USA	LG Innotek Fund I LLC <sup>1</sup>	40.8%	59.2%	40.8%	59.2%	December	Investment in technology start-ups	De-facto control
	USA	Cybellum Technologies USA, Inc	69.5%	30.5%	69.6%	30.4%	December	Development and sales of automotive security solutions	More than half of voting rights
	USA	LG Electronics Fund II LLC	100.0%	-	-	-	December	Investment in technology start-ups	More than half of voting rights
	Mexico	HI-M SOLUTEK MEXICO S DE RL DE CV.	100.0%	-	-	-	December	Maintenance	More than half of voting rights
	Mexico	LG Magna e-Powertrain Mexico S.A. DE C.V.	51.0%	49.0%	-	-	December	Production and sales of vehicle components	More than half of voting rights
South America	Argentina	LG Electronics Argentina S.A.(LGEAR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Colombia	LG Electronics Colombia Limitada(LGECB)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Brazil	LG Electronics do Brasil Ltda.(LGEBR)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Honduras	LG Electronics Honduras S.de R.L. <sup>2</sup>	20.0%	80.0%	20.0%	80.0%	December	Sales of electronic products	De-facto control
	Chile	LG Electronics Inc Chile Limitada(LGECL)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Panama	LG Electronics Panama, S.A.(LGEPS)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Peru	LG Electronics Peru S.A.(LGEPR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Venezuela	LG Electronics Venezuela, S.A.(LGEVZ)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Panama	LG Consulting Corp.	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Guatemala	LG Electronics Guatemala, S.A.	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
Middle East and Africa	Angola	LG Electronics Angola Limitada(LGEAO)	100.0%	-	100.0%	-	December	Sales and services of electronic products	More than half of voting rights
	Jordan	LG Electronics Levant - Jordan(LGELF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Africa Logistics FZE(LGEAF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Algeria	LG Electronics Algeria SARL(LGEAS)	70.0%	30.0%	70.0%	30.0%	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Dubai FZE(LGEDF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Egypt	LG Electronics Egypt S.A.E(LGEEG)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	UAE	LG Electronics Gulf FZE(LGEGF)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	UAE	LG Electronics Middle East Co., Ltd.(LGEME)	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Morocco	LG Electronics Morocco S.A.R.L.(LGEMC)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Nigeria	LG Electronics Nigeria Limited(LGENI)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Tunisia	LGENAF Service Company SARL	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	UAE	LG Electronics Overseas Trading FZE(LGEOT)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	South Africa	LG Electronics S.A. (Pty) Ltd.(LGESA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights
	Turkey	LG Electronics Ticaret A.S.(LGETK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Saudi Arabia	LG-Shaker Co.Ltd.(LGESR)	51.0%	49.0%	51.0%	49.0%	December	Production of electronic products	More than half of voting rights
	Saudi Arabia	LG Electronics Saudi Arabia LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	UAE	HI M SOLUTEK HVAC SERVICE AND MAINTENANCE LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Egypt	HI-M.SOLUTEK LLC	100.0%	-	100.0%	-	December	Services	More than half of voting rights
	Israel	Cybellum Technologies Ltd.	69.5%	30.5%	69.6%	30.4%	December	Development and sales of automotive security solutions	More than half of voting rights
Other	Kazakhstan	LG Electronics Almaty Kazakhstan Limited Liability Partnership(LGEAK)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights
	Russia	LG Electronics RUS, LLC(LGERA)	100.0%	-	100.0%	-	December	Production and sales of electronic products	More than half of voting rights

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Territory	Location	Subsidiary	June 30, 2022		December 31, 2021		Closing month	Major business	Basis of control
			Percentage of ownership		Percentage of ownership				
			Controlling interest	Non-controlling interest	Controlling interest	Non-controlling interest			
	Ukraine	LG Electronics Ukraine(LGEUR)	100.0%	-	100.0%	-	December	Sales of electronic products	More than half of voting rights

<sup>1</sup> Although the Group owns less than half of the voting rights of LG Innotek Co., Ltd., which is an intermediate parent company of its subsidiaries, the Group is deemed to have control over LG Innotek Co., Ltd. due to the size and dispersion of holdings of the other shareholders and their voting patterns at previous shareholders' meetings (Note 3).

<sup>2</sup> Although the Group owns less than a majority of the effective percentage of ownership of the entity, the Group has concluded that the Group controls the entity. This is because the Group has a right to appoint or dismiss the majority of its Board of Directors by virtue of an agreement with the other investors.

<sup>3</sup> Although the Group owns less than a majority of the effective percentage of ownership of the entity, the Group has concluded that the Group controls the entity. This is because the Group has the substantial power to direct the relevant activities and is exposed to variable returns.

<sup>4</sup> In the preparation of the consolidated financial statements, the financial statements for the six-month period ended June 30, 2022 were used for those subsidiaries with different fiscal year ends.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(b) Financial information of major subsidiaries as at June 30, 2022 and December 31, 2021, and for the six-month periods ended June 30, 2022 and 2021, are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	June 30, 2022			2022			
	Assets	Liabilities	Equity	Three months		Six months	
				Sales <sup>1</sup>	Profit (loss) for the period	Sales <sup>1</sup>	Profit (loss) for the period
LG Innotek Co., Ltd.	7,194,598	3,900,770	3,293,828	3,585,279	167,811	7,422,703	403,733
LG Electronics U.S.A., Inc.(LGEUS)	5,782,132	4,135,547	1,646,585	3,864,486	9,326	7,652,892	73,571
LG Electronics European Shared Service Center B.V.(LGESC)	1,529,981	1,481,246	48,735	130,806	5,682	228,188	12,055
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	1,598,780	637,211	961,569	856,676	60,632	1,749,530	137,419
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	1,611,688	595,082	1,016,606	1,006,300	37,699	2,061,583	89,597
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	1,265,398	576,818	688,580	917,165	14,899	2,180,677	71,235
Zenith Electronics LLC(Zenith)	1,500,309	143,953	1,356,356	53,249	20,619	90,024	24,848
LG Electronics do Brasil Ltda.(LGEBR)	1,468,340	376,813	1,091,527	439,858	4,732	716,927	(10,683)
LG Electronics RUS, LLC(LGERA)	1,136,018	291,322	844,696	277,990	38,880	711,062	69,809
Hiplaza Co., Ltd.	1,145,572	987,490	158,082	701,482	(5,903)	1,379,329	(31,025)
LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH)	1,240,641	669,385	571,256	752,443	8,307	1,637,304	38,803
ZKW Lichtsysteme GmbH	833,026	464,891	368,135	193,963	(8,790)	365,777	(16,182)
LG Electronics (China) Co., Ltd(LGECH)	806,504	790,991	15,513	73,038	19,305	142,219	16,636
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	1,041,344	613,738	427,606	533,775	34,457	1,053,114	51,642
ZKW Group GmbH	1,125,751	773,011	352,740	38,653	18,448	76,361	25,687
LG Electronics Deutschland GmbH(LGEDG)	692,005	518,132	173,873	421,246	(2,857)	1,197,147	32,093
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	756,239	515,891	240,348	368,916	16,819	800,769	31,618
LG Electronics (Thailand) Company Limited(LGETH)	698,822	274,287	424,535	378,869	16,801	873,976	56,378
P.T. LG Electronics Indonesia(LGEIN)	1,093,256	475,167	618,089	801,506	21,436	1,560,908	52,123
LG Electronics Nanjing New Technology co.,LTD(LGENT)	699,247	431,809	267,438	604,525	18,766	1,313,783	46,295
Nanjing LG Panda Appliances Co., Ltd(LGEPN)	501,160	314,832	186,328	254,387	7,573	566,334	20,995
LG Magna e-Powertrain Co., Ltd.	1,048,081	297,253	750,828	188,932	3,431	311,160	(22,588)

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

<i>(in millions of Korean won)</i>	December 31, 2021			2021			
	Assets	Liabilities	Equity	Three months		Six months	
				Sales <sup>1</sup>	Profit (loss) for the period	Sales <sup>1</sup>	Profit (loss) for the period
LG Innotek Co., Ltd.	6,989,347	4,092,054	2,897,293	2,288,185	150,149	5,276,022	387,215
LG Electronics U.S.A., Inc.(LGEUS)	5,501,018	4,078,083	1,422,935	3,530,342	294,668	6,460,261	512,954
LG Electronics European Shared Service Center B.V.(LGESC)	1,401,862	1,365,393	36,469	103,125	6,969	173,472	10,340
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	1,422,320	622,764	799,556	423,061	3,601	1,241,060	93,235
LG Electronics Vietnam Hai Phong Co., Ltd.(LGEVH)	1,515,442	650,031	865,411	921,891	20,279	1,923,792	98,561
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	1,481,671	856,700	624,971	1,223,371	45,153	2,232,444	36,173
Zenith Electronics LLC(Zenith)	1,337,885	117,699	1,220,186	34,781	7,046	65,230	13,063
LG Electronics do Brasil Ltda.(LGEBR)	1,372,789	432,180	940,609	368,761	50,498	772,034	97,873
LG Electronics RUS, LLC(LGERA)	1,177,101	547,951	629,150	398,768	33,701	785,428	58,382
Hiplaza Co., Ltd.	1,079,465	910,773	168,692	766,547	(2,291)	1,523,568	(16,637)
LG Innotek Vietnam Hai Phong Co.,Ltd.(LGITVH)	1,369,835	883,917	485,918	353,577	(2,706)	846,384	29,619
ZKW Lichtsysteme GmbH	777,962	398,437	379,525	179,439	3,158	374,388	10,094
LG Electronics (China) Co., Ltd(LGECH)	686,470	687,734	(1,264)	83,544	27,120	150,682	37,166
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	909,494	547,005	362,489	400,597	(41,103)	837,593	(6,833)
ZKW Group GmbH	1,052,602	728,347	324,255	34,675	4,628	68,187	10,668
LG Electronics Deutschland GmbH(LGEDG)	1,140,618	973,875	166,743	1,011,592	(18,089)	1,955,853	11,528
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	803,550	602,287	201,263	396,088	(35,804)	849,213	(17,202)
LG Electronics (Thailand) Company Limited(LGETH)	680,464	291,124	389,340	363,186	10,863	835,808	44,553
P.T. LG Electronics Indonesia(LGEIN)	973,369	457,658	515,711	740,521	36,484	1,348,857	46,790
LG Electronics Nanjing New Technology co.,LTD(LGENT)	865,635	600,650	264,985	533,435	9,303	1,114,724	22,692
Nanjing LG Panda Appliances Co., Ltd(LGEPN)	580,270	383,562	196,708	223,654	256	495,913	16,308
LG Magna e-Powertrain Co., Ltd.	933,683	169,402	764,281	-	-	-	-

<sup>1</sup> MC business and energy business were classified as discontinued operations and the sales related to the discontinued operations were excluded.



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(c) Information of subsidiaries with material non-controlling interests is as follows:

- LG Innotek Co., Ltd. and its subsidiaries

i) Percentage of ownership in non-controlling interests and accumulated non-controlling interests

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Percentage of ownership in non-controlling interests	59.2%	59.2%
Accumulated non-controlling interests	2,325,337	2,011,225

ii) Profit (Loss) and dividends attributable to non-controlling interests for the three-month and six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>		<b>2021</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Profit (Loss) to non-controlling interests	126,616	288,738	94,354	245,040
Dividends to non-controlling interests	-	42,034	-	9,808

iii) Summarized consolidated statements of financial position of subsidiaries with material non-controlling interests, are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Current assets	3,760,219	4,113,364
Non-current assets	4,364,184	3,627,989
<b>Total assets</b>	<b>8,124,403</b>	<b>7,741,353</b>
Current liabilities	2,899,853	3,310,268
Non-current liabilities	1,393,631	1,116,879
<b>Total liabilities</b>	<b>4,293,484</b>	<b>4,427,147</b>
Equity attributable to the owners of LG Innotek Co., Ltd.	3,830,919	3,314,206
Non-controlling interests	-	-
<b>Total equity</b>	<b>3,830,919</b>	<b>3,314,206</b>

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

- iv) Summarized consolidated statements of comprehensive income of subsidiaries with material non-controlling interests for the three-month and six-month periods ended June 30, 2022 and 2021, are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
Net sales	3,703,033	7,655,414	2,355,676	5,427,489
Profit (Loss) for the period	206,340	473,861	147,287	398,700
Other comprehensive income (loss), net of tax	69,390	113,846	4,921	34,443
Total comprehensive income (loss), net of tax	275,730	587,707	152,208	433,143

- v) Summarized consolidated statements of cash flows of subsidiaries with material non-controlling interests for the six-month periods ended June 30, 2022 and 2021, are as follows (before elimination of intercompany transactions):

<i>(in millions of Korean won)</i>	2022	2021
Cash flows from operating activities	718,613	407,163
Cash flows from investing activities	(919,562)	(253,897)
Cash flows from financing activities	232,507	(79,481)
Effects of exchange rate changes on cash and cash equivalents	8,508	7,497
Net increase (decrease) in cash and cash equivalents	40,066	81,282
Cash and cash equivalents included in assets held for sale at the beginning of the period	58,371	53,586
Cash and cash equivalents at the beginning of the period	565,874	694,607
Cash and cash equivalents included in assets held for sale at the end of the period	-	(56,021)
Cash and cash equivalents at the end of the period	664,311	773,454

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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(d) Significant restrictions on subsidiaries

- i) Significant restrictions on the ability to use the assets and settle the liabilities of the Group

Cash and other short-term financial instruments held by subsidiaries in Egypt, Algeria, Russia and Kazakhstan are subject to foreign currency exchange control regulations of each relevant country. Accordingly, there are transfer limits on their cash and short-term financial instruments from these countries.

- ii) The protective rights of non-controlling interests which can restrict the use of the assets and settlement of the liabilities of the Group exist in certain subsidiaries.

(e) Changes in the Parent Company's interest in subsidiaries

During the six-month period ended June 30, 2022, non-controlling interests decreased by ₩1,054 million due to the effect of changes in the percentage of ownership resulting from the stock options exercised and the tender offer agreement for non-controlling interests in relation to Alphonso Inc.

- (f) Subsidiaries newly included in the scope of the preparation of the consolidated interim financial statements for the six-month period ended June 30, 2022, are:

Subsidiary	Reason	Country	Percentage of ownership	Closing month	Major business
ACE R&A Hungary Limited Liability Company	Newly established	Hungary	100%	December	Production and sales of air conditioner
HI-M SOLUTEK MEXICO S DE RL DE CV.	Newly established	Mexico	100%	December	Maintenance
LG Electronics fund II LLC	Newly established	USA	100%	December	Investment in technology start-ups
LG Magna e-Powertrain Mexico S.A. DE C.V.	Newly established	Mexico	51.0%	December	Productions and sales of vehicle components
Alphonso UK Limited	Newly established	UK	57.0%	December	Advertisement

- (g) A subsidiary excluded from the scope of preparation of the consolidated interim financial statements for the six-month period ended June 30, 2022, is:

Subsidiary	Reason	Country
LG Electronics Mobile Research U.S.A.,LLC.	Liquidation	USA
LG Innotek Huizhou Co.Ltd.	Sales of shares	China

- (h) Gain or loss resulted from the loss of control

During the six-month period ended June 30, 2022, the Group liquidated LG Electronics Mobile Research U.S.A.,LLC. and sold the shares of LG Innotek Huizhou Co.,Ltd., and recognized gains of ₩2,617 million and ₩6,387 million from the loss of control, respectively.

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

### June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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## 2. Significant Accounting Policies

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

The Group's consolidated interim financial statements for the six-month period ended June 30, 2022, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. These consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as at June 30, 2022.

### Changes in Accounting Policies and Disclosures

(a) New and amended standards and interpretations effective for the financial year beginning January 1, 2022

- *Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework*

The amendments update a reference of definition of assets and liabilities that qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, and Korean IFRS 2121 *Levies*. The amendments also clarify that contingent assets should not be recognized at the acquisition date. The amendments do not have a significant impact on the consolidated interim financial statements.

- *Amendments to Korean IFRS 1016 Property, Plant and Equipment - Proceeds before intended use*

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments do not have a significant impact on the consolidated interim financial statements.

- *Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts : Cost of Fulfilling a Contract*

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments do not have a significant

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

### June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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impact on the consolidated interim financial statements.

*- Annual improvements to Korean IFRS 2018-2020*

The amendments do not have a significant impact on the consolidated interim financial statements.

- Korean IFRS 1101 *First time Adoption of Korean International Financial Reporting Standards* – Subsidiaries that are first-time adopters
- Korean IFRS 1109 *Financial Instruments* – Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1041 *Agriculture* – Measuring fair value

(b) New, enacted and amended standards issued, but not effective for June 30, 2022, and not early adopted by the Group.

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

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023. The Group does not expect that these amendments have a significant impact on the consolidated interim financial statements.

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

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023. The Group does not expect that these amendments have a significant impact on the consolidated interim financial statements.

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

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023. The Group does not expect that these amendments have a significant impact on the consolidated interim financial statements.

*- Korean IFRS 1012 Income Taxes - Deferred Tax Related to Assets and Liabilities Arising from a*

# **LG Electronics**

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

### **June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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#### *Single Transaction*

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. The amendments should be applied for annual periods beginning on or after January 1, 2023. The Group does not expect that these amendments have a significant impact on the consolidated interim financial statements.

#### **Application of Accounting Policies**

Significant accounting policies and method of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2021, except for the changes due to the application of amendment and enactments of standards described in Note 2 and the ones described below.

#### **Income Tax Expense**

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

### **3. Critical Accounting Estimates and Judgements**

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

#### **Critical Accounting Estimates and Assumptions**

The Group makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The spread of COVID-19 and Russia - Ukraine armed conflict have a material impact on the global economy. It may have a negative impact; such as, decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Group, and the impact is expected to be continued to the consolidated annual financial statements in 2022.

Significant accounting estimates and assumptions applied in the preparation of the consolidated interim financial statements can be adjusted depending on changes in the uncertainty from COVID-19 and Russia - Ukraine armed conflict. Also, the ultimate effect of COVID-19 and Russia - Ukraine armed conflict to the Group's business, financial position and financial performance cannot presently be determined.

## **LG Electronics**

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

#### **June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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

#### (a) Revenue Recognition

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

#### (b) Impairment of Goodwill

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

#### (c) Income Taxes

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

#### (d) Fair Value of Financial Instruments

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

#### (e) Provisions

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

#### (f) Net Defined Benefit Liabilities

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

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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### (g) Development Costs

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

### (h) Lease

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

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

### Significant Judgment on Accounting Policies Adopted by the Group

In order to determine the Group's de-facto control, the Group considers the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders and additional facts and circumstances including voting patterns at previous shareholders' meetings.

## 4. Segment Information

The segments of the Group are strategic business divisions providing different products and services. They are reported separately because each business division requires different technologies and marketing strategies. At the end of the reporting periods, the main products of each business division are as follows, and the comparative information is presented in conformity with the same classification in the current period.

Operating segment	Type of products
Home Appliance & Air Solution (H&A)	Refrigerators, washing machines, air conditioners, vacuum cleaners and others
Home Entertainment (HE)	TVs, audio, beauty appliances and others
Vehicle component Solutions (VS)	Vehicle components and others
Business Solutions (BS)	Monitors, PCs, information displays and others
LG Innotek Co., Ltd. and its subsidiaries (Innotek)	Camera modules, substrate & material, motor/sensor and others
Other segments	Equipment production and others



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(a) The segment information for sales and operating profit (loss) for the three-month and six-month periods ended June 30, 2022 and 2021, is as follows:

<b>Three-month period ended June 30, 2022</b>							
<i>(in millions of Korean won)</i>	<b>H&amp;A</b>	<b>HE</b>	<b>VS</b>	<b>BS</b>	<b>Innotek</b>	<b>Other segments<sup>1</sup></b>	<b>Total</b>
Sales	8,067,606	3,457,831	2,030,579	1,538,085	3,703,033	666,909	19,464,043
External sales	8,061,829	3,456,564	2,030,579	1,537,497	3,584,852	792,722	19,464,043
Internal sales	5,777	1,267	-	588	118,181	(125,813)	-
Operating profit (loss) <sup>2</sup>	432,186	(18,931)	50,006	14,309	289,865	24,819	792,254
Depreciation and amortization	221,159	91,721	135,203	27,411	206,407	45,270	727,171

<b>Six-month period ended June 30, 2022</b>							
<i>(in millions of Korean won)</i>	<b>H&amp;A</b>	<b>HE</b>	<b>VS</b>	<b>BS</b>	<b>Innotek</b>	<b>Other segments<sup>1</sup></b>	<b>Total</b>
Sales	16,038,047	7,522,892	3,908,242	3,411,910	7,655,414	1,896,540	40,433,045
External sales	16,030,337	7,519,933	3,908,240	3,410,038	7,397,359	2,167,138	40,433,045
Internal sales	7,710	2,959	2	1,872	258,055	(270,598)	-
Operating profit (loss) <sup>2</sup>	877,665	168,302	43,267	117,394	656,657	871,859	2,735,144
Depreciation and amortization	433,533	187,865	270,452	54,411	401,958	88,943	1,437,162

<b>Three-month period ended June 30, 2021</b>							
<i>(in millions of Korean won)</i>	<b>H&amp;A</b>	<b>HE</b>	<b>VS</b>	<b>BS</b>	<b>Innotek</b>	<b>Other segments<sup>1</sup></b>	<b>Total</b>
Sales	6,815,053	4,042,650	1,701,238	1,294,845	2,355,676	722,749	16,932,211
External sales	6,802,016	4,041,135	1,701,238	1,294,326	2,210,703	882,793	16,932,211
Internal sales	13,037	1,515	-	519	144,973	(160,044)	-
Operating profit (loss) <sup>2</sup>	650,616	331,747	(343,869)	76,387	150,990	34,230	900,101
Depreciation and amortization	189,089	89,578	130,557	26,314	182,341	41,865	659,744

<b>Six-month period ended June 30, 2021</b>							
<i>(in millions of Korean won)</i>	<b>H&amp;A</b>	<b>HE</b>	<b>VS</b>	<b>BS</b>	<b>Innotek</b>	<b>Other segments<sup>1</sup></b>	<b>Total</b>
Sales	13,524,071	8,051,459	3,432,058	2,745,408	5,427,489	1,384,865	34,565,350
External sales	13,502,054	8,046,051	3,432,058	2,744,391	5,140,981	1,699,815	34,565,350
Internal sales	22,017	5,408	-	1,017	286,508	(314,950)	-
Operating profit (loss) <sup>2</sup>	1,554,252	725,430	(349,042)	240,467	496,340	48,460	2,715,907
Depreciation and amortization	374,972	172,087	263,054	53,145	354,615	77,184	1,295,057

<sup>1</sup> Other segments include operating segments that are not qualified as reportable segments, departments that support the operating segments and R&D, and inter-segment transactions.

<sup>2</sup> Other income or expenses items not included in the operating profit (loss) are not separately disclosed because the Chief Operating Decision Maker does not review them by segment.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(b) Segment assets and liabilities as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
H&A	26,797,915	14,173,714	24,253,234	12,878,080
HE	13,747,705	9,142,017	13,620,098	9,638,743
VS	8,742,298	10,575,731	8,050,137	9,973,745
BS	5,366,816	3,672,301	4,877,335	3,383,135
Innotek	8,124,403	4,293,484	7,741,353	4,427,147
<b>Subtotal<sup>1</sup></b>	<b>62,779,137</b>	<b>41,857,247</b>	<b>58,542,157</b>	<b>40,300,850</b>
Other segments and inter-segment transactions	(7,410,340)	(9,741,475)	(5,060,679)	(6,917,405)
<b>Total</b>	<b>55,368,797</b>	<b>32,115,772</b>	<b>53,481,478</b>	<b>33,383,445</b>

<sup>1</sup> The amounts of assets and liabilities of each segment are before inter-company elimination, and common assets and liabilities are allocated based on the operations of the segments.

(c) Non-current assets by geographic area as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>Non-current assets<sup>1</sup></b>	
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Geographic areas</b>		
Korea	11,976,847	11,747,934
China	965,316	949,526
Asia	1,574,941	1,399,179
North America	1,740,396	1,534,049
Europe	978,000	963,708
South America	126,691	105,440
Middle East & Africa	294,381	290,804
Russia and others	225,231	153,763
<b>Total</b>	<b>17,881,803</b>	<b>17,144,403</b>

<sup>1</sup> Non-current assets consist of property, plant and equipment, intangible assets and investment properties.

(d) Sales from a single external customer who contribute more than 10% of the Group's total sales for the six-month period ended June 30, 2022 are sales from Innotek segment and others amounting to ₩6,534,968 million (June 30, 2021: ₩3,729,992 million).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**5. Financial Instruments by Category**

(a) Categorizations of financial instruments as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	6,482,932	-	-	-	6,482,932
Deposits held by financial institutions	211,361	-	-	-	211,361
Trade receivables	7,568,033	984,898	-	92,155	8,645,086
Other receivables	1,337,558	-	-	-	1,337,558
Other financial assets	-	121,311	87,431	190,188	398,930
<b>Total</b>	<b>15,599,884</b>	<b>1,106,209</b>	<b>87,431</b>	<b>282,343</b>	<b>17,075,867</b>

<i>(in millions of Korean won)</i>	June 30, 2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	7,938,366	-	-	7,938,366
Borrowings	10,421,337	-	-	10,421,337
Lease liabilities	-	-	1,063,173	1,063,173
Other payables	4,292,142	-	-	4,292,142
Other financial liabilities	-	7,409	2,691	10,100
<b>Total</b>	<b>22,651,845</b>	<b>7,409</b>	<b>1,065,864</b>	<b>23,725,118</b>

<i>(in millions of Korean won)</i>	December 31, 2021				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	6,051,516	-	-	-	6,051,516
Deposits held by financial institutions	205,391	-	-	-	205,391
Trade receivables	6,598,731	1,567,007	-	25,799	8,191,537
Other receivables	1,160,959	-	-	-	1,160,959
Other financial assets	-	121,222	79,145	41,487	241,854
<b>Total</b>	<b>14,016,597</b>	<b>1,688,229</b>	<b>79,145</b>	<b>67,286</b>	<b>15,851,257</b>

<i>(in millions of Korean won)</i>	December 31, 2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	8,741,937	-	-	8,741,937
Borrowings	9,931,553	-	-	9,931,553
Lease liabilities	-	-	955,422	955,422
Other payables	4,193,751	-	-	4,193,751

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Other financial liabilities	-	17,092	51,210	68,302
<b>Total</b>	<b>22,867,241</b>	<b>17,092</b>	<b>1,006,632</b>	<b>23,890,965</b>

(b) Net gains or losses on each category of financial instruments for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	61,095	-	-	-	61,095
Exchange differences	676,781	76,637	-	-	753,418
Bad debt expenses	(1,167)	-	-	-	(1,167)
Loss on disposal of trade receivables	(35)	(5,593)	-	-	(5,628)
Dividend income	-	249	2,567	-	2,816
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	(6,433)	-	(6,433)
Gain (Loss) on derivatives (through profit or loss)	-	-	50,668	-	50,668
Profit (Loss) for the period from discontinued operations	1,549	-	10	-	1,559
Fair value profit (loss), net of tax (through other comprehensive income)	-	(16,350)	-	-	(16,350)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	66,696	66,696

<i>(in millions of Korean won)</i>	2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(126,917)	-	(27,286)	(154,203)
Exchange differences	(793,668)	-	80,152	(713,516)
Gain (Loss) on derivatives (through profit or loss)	-	(81,321)	-	(81,321)
Gain (Loss) for the period from discontinued operations	(19,403)	(26)	(116)	(19,545)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	18,719	18,719
Others	(1,405)	-	-	(1,405)

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	2021				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	36,705	-	-	-	36,705
Exchange differences	202,677	25,575	-	-	228,252
Reversal of bad debt expenses	28,783	-	-	-	28,783
Loss on disposal of trade receivables	(1,100)	(1,868)	-	-	(2,968)
Dividend income	-	236	4	-	240
Gain (Loss) on valuation of financial assets at fair value through profit or loss	-	-	19,410	-	19,410
Gain (Loss) on derivatives (through profit or loss)	-	-	22,391	-	22,391
Profit (Loss) for the period from discontinued operations	24,808	-	3,524	-	28,332
Fair value gain (loss), net of tax (through other comprehensive income)	-	(15,435)	-	-	(15,435)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	1,500	1,500

<i>(in millions of Korean won)</i>	2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expense	(55,252)	-	(32,758)	(88,010)
Exchange differences	(228,030)	-	27,618	(200,412)
Gain (Loss) on derivatives (through profit or loss)	-	(33,066)	-	(33,066)
Gain (Loss) for the period from discontinued operations	(109,702)	(4,291)	(659)	(114,652)
Gain (Loss) on derivatives, net of tax (through other comprehensive income)	-	-	39,485	39,485
Others	(1,194)	-	-	(1,194)

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**6. Trade Receivables and Other Receivables**

(a) Trade receivables and other receivables, net of allowance for doubtful accounts, as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>			<b>December 31, 2021</b>		
	<b>Original amount</b>	<b>Allowance for doubtful accounts</b>	<b>Carrying amount</b>	<b>Original amount</b>	<b>Allowance for doubtful accounts</b>	<b>Carrying amount</b>
Trade receivables						
Current	8,655,750	(92,276)	8,563,474	8,251,982	(85,523)	8,166,459
Non-current	81,612	-	81,612	25,078	-	25,078
Other receivables						
Current	677,037	(10,218)	666,819	500,773	(11,717)	489,056
Non-current	670,892	(153)	670,739	672,017	(114)	671,903

(b) Movements in allowance for doubtful accounts for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>				
	<b>At January 1</b>	<b>Addition (Reversal)</b>	<b>Write-off</b>	<b>Other</b>	<b>At June 30</b>
Trade receivables	85,523	4,588	(809)	2,974	92,276
Other receivables					
Current	11,717	(1,356)	(2)	(141)	10,218
Non-current	114	35	-	4	153

  

<i>(in millions of Korean won)</i>	<b>2021</b>				
	<b>At January 1</b>	<b>Addition (Reversal)</b>	<b>Write-off</b>	<b>Other</b>	<b>At June 30</b>
Trade receivables	112,516	(28,393)	(514)	821	84,430
Other receivables					
Current	19,229	(94)	(23)	585	19,697
Non-current	35	5	-	1	41

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

- (c) The aging analysis of trade receivables and other receivables as at June 30, 2022 and December 31, 2021, is as follows:

(in millions of Korean won)

	June 30, 2022				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
<b>Receivables not past due</b>	7,628,823	81,612	618,333	667,863	8,996,631
<b>Past due but not impaired</b>					
Up to 6 months	797,175	-	39,347	2,541	839,063
7 to 12 months	39,116	-	2,263	44	41,423
Over 1 year	27,778	-	7,616	444	35,838
<b>Subtotal</b>	864,069	-	49,226	3,029	916,324
<b>Impaired</b>	162,858	-	9,478	-	172,336
<b>Total</b>	8,655,750	81,612	677,037	670,892	10,085,291

(in millions of Korean won)

	December 31, 2021				
	Trade receivables		Other receivables		Total
	Current	Non-current	Current	Non-current	
<b>Receivables not past due</b>	7,293,018	25,078	463,197	667,263	8,448,556
<b>Past due but not impaired</b>					
Up to 6 months	767,628	-	18,565	3,616	789,809
7 to 12 months	17,199	-	1,792	895	19,886
Over 1 year	19,157	-	5,831	243	25,231
<b>Subtotal</b>	803,984	-	26,188	4,754	834,926
<b>Impaired</b>	154,980	-	11,388	-	166,368
<b>Total</b>	8,251,982	25,078	500,773	672,017	9,449,850

- (d) Trade receivables have been discounted through collateralized borrowing agreements with banks for the six-month period ended June 30, 2022. In case the customers default, the Group has an obligation to pay the related amounts to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (Note 12). Discounted trade receivables as at June 30, 2022 amount to ₩64,572 million (December 31, 2021: ₩51,577 million).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**7. Other Financial Assets and Liabilities**

(a) Details of other financial assets and liabilities as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Other financial assets</b>		
Derivatives	199,744	47,114
Financial assets at fair value through other comprehensive income	121,311	121,222
Financial assets at fair value through profit or loss	77,875	73,518
<b>Total</b>	<b>398,930</b>	<b>241,854</b>
Current	27,321	18,276
Non-current	371,609	223,578

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Other financial liabilities</b>		
Derivatives	10,054	68,188
Financial guarantee liability	46	114
<b>Total</b>	<b>10,100</b>	<b>68,302</b>
Current	3,296	8,512
Non-current	6,804	59,790

(b) Details of derivatives as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Current</b>				
Currency forward	10,024	3,250	6,332	8,398
Cross-currency swap	16,565	-	9,647	-
Interest rate swap	44	-	-	-
<b>Subtotal</b>	<b>26,633</b>	<b>3,250</b>	<b>15,979</b>	<b>8,398</b>
<b>Non-current</b>				
Cross-currency swap	147,874	575	31,135	1,420
Interest rate swap	25,237	2,182	-	54,219
Put option	-	4,047	-	4,151
<b>Subtotal</b>	<b>173,111</b>	<b>6,804</b>	<b>31,135</b>	<b>59,790</b>
<b>Total</b>	<b>199,744</b>	<b>10,054</b>	<b>47,114</b>	<b>68,188</b>

The details of major derivative contracts at the end of the reporting period are presented in Note 32.



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(c) Changes in carrying amount of financial assets at fair value through other comprehensive income for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022						
	At January 1	Acquisition	Disposals	Transfer	Valuation	Other	At June 30
Listed equity securities	60,441	-	-	-	(21,924)	326	38,843
Unlisted equity securities	60,781	17,090	-	1,600	-	2,997	82,468
Debt securities	-	2,889	(2,889)	-	-	-	-
<b>Total</b>	<b>121,222</b>	<b>19,979</b>	<b>(2,889)</b>	<b>1,600</b>	<b>(21,924)</b>	<b>3,323</b>	<b>121,311</b>

  

<i>(in millions of Korean won)</i>	2021						
	At January 1	Acquisition	Disposals	Transfer	Valuation	Other	At June 30
Listed equity securities	58,103	-	(212)	-	(12,331)	541	46,101
Unlisted equity securities	59,317	-	-	(14,210)	(6,172)	1,286	40,221
<b>Total</b>	<b>117,420</b>	<b>-</b>	<b>(212)</b>	<b>(14,210)</b>	<b>(18,503)</b>	<b>1,827</b>	<b>86,322</b>

(d) Changes in carrying amount of financial assets at fair value through profit or loss for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022						
	At January 1	Acquisition	Disposals	Transfer	Valuation	Other	At June 30
Listed equity securities	2,297	-	(489)	129	(1,264)	15	688
Unlisted equity securities <sup>1</sup>	71,221	11,094	(551)	(1,729)	(5,169)	1,688	76,554
Debt securities	-	633	-	-	-	-	633
<b>Total</b>	<b>73,518</b>	<b>11,727</b>	<b>(1,040)</b>	<b>(1,600)</b>	<b>(6,433)</b>	<b>1,703</b>	<b>77,875</b>

  

<i>(in millions of Korean won)</i>	2021						
	At January 1	Acquisition	Disposals	Transfer	Valuation	Other	At June 30
Listed equity securities	-	-	(374)	567	4,956	247	5,396
Unlisted equity securities <sup>1</sup>	29,844	10,856	(3,332)	13,643	14,454	(317)	65,148
Debt securities	7,615	5,232	-	-	-	295	13,142
<b>Total</b>	<b>37,459</b>	<b>16,088</b>	<b>(3,706)</b>	<b>14,210</b>	<b>19,410</b>	<b>225</b>	<b>83,686</b>

<sup>1</sup> Equity securities in CerebrumX Labs, Inc and Aurora Labs Ltd, which the Group can exercise a significant influence in the Board of Directors of the investee although the percentage of ownership is less than 20%, are included. The equity securities are held by LG Electronics Fund I LLC, a subsidiary, and measured at fair value due to exemption from applying the equity method.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**8. Inventories**

Inventories as at June 30, 2022 and December 31, 2021, consist of:

<i>(in millions of Korean won)</i>	June 30, 2022			December 31, 2021		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	5,524,983	(114,870)	5,410,113	5,804,591	(140,508)	5,664,083
Work-in-process	557,255	(10,987)	546,268	485,275	(11,547)	473,728
Raw materials and supplies	3,489,393	(111,166)	3,378,227	3,377,654	(103,212)	3,274,442
Other	401,451	(51,621)	349,830	374,978	(33,213)	341,765
<b>Total</b>	<b>9,973,082</b>	<b>(288,644)</b>	<b>9,684,438</b>	<b>10,042,498</b>	<b>(288,480)</b>	<b>9,754,018</b>

**9. Contract Assets and Contract Liabilities**

(a) Contract assets as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022	December 31, 2021
Due from customers	630,768	496,732
(Less: allowance for doubtful accounts)	(4,413)	(3,901)
Right to recover returned products	139,812	136,587
Costs to fulfill contracts and others	304,855	280,048
<b>Total</b>	<b>1,071,022</b>	<b>909,466</b>
Current	758,306	612,754
Non-current	312,716	296,712

(b) Contract liabilities as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022	December 31, 2021
Expected promotional incentives for customers	908,514	819,831
Expected returns from customers	226,563	218,642
Customer loyalty program	112,787	114,406
Rendering of warranty services	124,553	95,871
Due to customers and others	294,943	252,632
<b>Total</b>	<b>1,667,360</b>	<b>1,501,382</b>
Current	1,618,026	1,453,996
Non-current	49,334	47,386

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(c) Revenue recognized in relation to contract liabilities for the six-month periods ended June 30, 2022 and 2021, is as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	161,605	127,677
Customer loyalty program	45,426	48,321
Rendering of warranty services	22,997	23,076
<b>Total</b>	<b>230,028</b>	<b>199,074</b>
Revenue recognized from performance obligations satisfied in previous periods	7,984	10,097

(d) Unsatisfied long-term contracts

At the end of the reporting period, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations was ₩1,490,745 million which were expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Group excluded performance obligation which was a part of contract that had an original expected duration of one year or less.

(e) For the six-month period ended June 30, 2022, the Group recognized an impairment loss amounting to ₩431 million (June 30, 2021: reversal of impairment loss of ₩1,109 million) in relation to due from customers, and amortization and other costs of ₩36,742 million (June 30, 2021: ₩36,379 million) in relation to costs to fulfill contracts.

**10. Property, Plant and Equipment, and Intangible Assets**

(a) Changes in property, plant and equipment for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	14,700,784	13,973,998
Acquisitions	1,805,119	1,403,120
Reclassification from assets held for sale	23	291,486
Reclassification to assets held for sale	(52,107)	(13,155)
Disposals and others	(53,022)	(37,472)
Depreciation	(1,224,697)	(1,144,938)
Impairment losses <sup>1,2</sup>	(110,293)	(44,457)
Exchange differences	362,691	150,029
<b>At June 30</b>	<b>15,428,498</b>	<b>14,578,611</b>

<sup>1</sup> For the six-month period ended June 30, 2022, impairment loss on property, plant and equipment from discontinued operations of energy business amounting to ₩89,731 million (June 30, 2021: ₩14 million) is included.

<sup>2</sup> For the six-month period ended June 30, 2022, impairment loss on property, plant and equipment from discontinued operations of MC business amounting to ₩916 million (June 30, 2021: ₩34,248 million) is

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

included.

- (b) Line items including depreciation in the consolidated interim statements of profit or loss for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	919,937	822,557
Selling and marketing expenses	129,152	115,617
Administrative expenses	78,042	67,061
Research and development expenses	47,248	35,901
Service costs	17,715	14,734
Other non-operating expenses	15,726	3,377
<b>Subtotal</b>	<b>1,207,820</b>	<b>1,059,247</b>
<b>Discontinued operations</b>	<b>16,877</b>	<b>85,691</b>
<b>Total</b>	<b>1,224,697</b>	<b>1,144,938</b>

- (c) Changes in right-of-use assets included in property, plant and equipment for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	<b>1,035,378</b>	<b>966,210</b>
Acquisitions	298,269	154,318
Disposals and others	(38,144)	(7,486)
Depreciation	(193,029)	(173,552)
Exchange differences	37,910	16,932
<b>At June 30</b>	<b>1,140,384</b>	<b>956,422</b>

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the six-month period ended June 30, 2022, was ₩3,413 million (June 30, 2021: ₩4,599 million).

- (d) Changes in intangible assets for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	<b>2,443,249</b>	<b>3,139,080</b>
Acquisitions	183,795	179,752
Acquisitions by internal development	116,390	115,524
Reclassification to assets held for sale	(34)	(2,129)
Disposals and others	(42,069)	(44,328)
Amortization	(246,123)	(331,536)
Impairment losses <sup>1,2</sup>	(24,158)	(320,838)
Exchange differences	21,890	4,593
<b>At June 30</b>	<b>2,452,940</b>	<b>2,740,118</b>

<sup>1</sup> For the six-month period ended June 30, 2022, impairment loss on intangible assets from discontinued

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

operations of energy business amounting to ₩518 million (June 30, 2021: ₩14 million) is included.

<sup>2</sup> For the six-month period ended June 30, 2021, impairment loss on intangible assets from discontinued operations of MC business amounting to ₩295,347 million is included.

(e) Line items including amortization of intangible assets in the consolidated interim statements of profit or loss for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	179,300	184,383
Selling and marketing expenses	8,046	10,209
Administrative expenses	23,834	26,620
Research and development expenses	32,197	16,913
Service costs	1,687	1,058
Other non-operating expenses	6	-
<b>Subtotal</b>	<b>245,070</b>	<b>239,183</b>
<b>Discontinued operations</b>	<b>1,053</b>	<b>92,353</b>
<b>Total</b>	<b>246,123</b>	<b>331,536</b>

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

(a) Investments in associates and joint ventures

i) Carrying amounts of investments in associates and joint ventures, as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Associates	5,052,827	5,099,208
Joint ventures	59,294	50,036
<b>Total</b>	<b>5,112,121</b>	<b>5,149,244</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

ii) Investments in associates as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022				December 31, 2021			
	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount
LG Display Co., Ltd.	679,218	4,900,847	(99,041)	4,801,806	679,218	4,972,517	(100,046)	4,872,471
Ericsson-LG Co., Ltd.	12,649	57,762	-	57,762	12,649	60,008	-	60,008
Hitachi-LG Data Storage Inc.(HLDS)	101,961	61,138	(1,447)	59,691	101,961	54,189	(1,482)	52,707
CCP-LGE OWNER, LLC <sup>1</sup>	11,652	10,284	-	10,284	11,652	9,720	-	9,720
ROBOTIS Co., Ltd. <sup>1</sup>	9,000	8,430	-	8,430	9,000	8,639	-	8,639
Acryl Inc. <sup>1</sup>	2,000	955	-	955	2,000	1,128	-	1,128
Robostar Co., Ltd.	88,112	78,383	(1,826)	76,557	88,112	78,755	(1,722)	77,033
AiM Future, Inc.	800	963	-	963	800	993	-	993
Mirae Asset-LG Electronics New Growth Fund I	30,000	29,809	-	29,809	10,000	9,489	-	9,489
RINSE, INC <sup>1</sup>	7,030	6,570	-	6,570	7,030	7,020	-	7,020
<b>Total</b>	<b>942,422</b>	<b>5,155,141</b>	<b>(102,314)</b>	<b>5,052,827</b>	<b>922,422</b>	<b>5,202,458</b>	<b>(103,250)</b>	<b>5,099,208</b>

<sup>1</sup> The financial statements as at May 31, 2022 were used due to a different closing date.

iii) Investments in joint ventures as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022				December 31, 2021			
	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount	Acquisition cost	Net asset amount	Unrealized gain	Carrying amount
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	14,718	23,745	(36)	23,709	14,718	22,121	(278)	21,843
EIC PROPERTIES PTE LTD.	9,636	17,999	-	17,999	9,636	16,871	-	16,871
LG-MRI LLC	516	1,193	-	1,193	516	1,445	-	1,445
Neolite ZKW Lightings PVT Ltd.	-	-	-	-	-	-	-	-
LG-LHT Aircraft Solutions GmbH	28,725	7,940	-	7,940	22,984	4,441	-	4,441
LG-LHT Passenger Solutions GmbH	26,269	4,205	-	4,205	20,528	3,475	-	3,475
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	1,193	1,548	-	1,548	1,193	1,436	-	1,436
Alluto LLC	2,095	499	-	499	2,095	525	-	525
FITNESSCANDY Co., Ltd.	2,550	2,201	-	2,201	-	-	-	-
<b>Total</b>	<b>85,702</b>	<b>59,330</b>	<b>(36)</b>	<b>59,294</b>	<b>71,670</b>	<b>50,314</b>	<b>(278)</b>	<b>50,036</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(b) Associates and joint ventures

i) Associates as at June 30, 2022, are as follows:

<b>Name of associate</b>	<b>Location</b>	<b>Closing month</b>	<b>Percentage of ownership (%)</b>	<b>Nature of relationships with the Group</b>
LG Display Co., Ltd.	Korea	December	37.9	Production and supply of display products
Ericsson-LG Co., Ltd.	Korea	December	25.0	Supply of communication devices and network solution products
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	Production and supply of data storages
CCP-LGE OWNER, LLC <sup>1</sup>	USA	December	70.2	Solar power plant
ROBOTIS Co., Ltd. <sup>2</sup>	Korea	December	8.1	Production and sales of personal robot
Acryl Inc. <sup>2</sup>	Korea	December	13.6	Development and sales of software
Robostar Co., Ltd.	Korea	December	33.4	Production and sales of industrial robot
AiM Future, Inc. <sup>2</sup>	Korea	December	15.6	A.I. solution
Mirae Asset-LG Electronics New Growth Fund I	Korea	December	50.0	Investment in technology start ups
RINSE, INC <sup>2</sup>	USA	December	11.5	Laundry service

<sup>1</sup> Classified as an associate although the percentage of ownership is more than 50% because the Group does not have the right to control by an agreement with other shareholders.

<sup>2</sup> Classified as an associate although the percentage of ownership is less than 20% because the Group can exercise a significant influence in the Board of Directors of the investee.

ii) Joint ventures as at June 30, 2022, are as follows:

All joint arrangements, over which the Group has joint control, are structured through separate companies and are categorized as joint ventures as the parties with joint control are assumed to have rights to the net assets of the arrangement.

<b>Name of joint venture</b>	<b>Location</b>	<b>Closing month</b>	<b>Percentage of ownership (%)</b>	<b>Nature of relationships with the Group</b>
Arcelic-LG Klima Sanayi ve Ticarta A.S.(LGEAT)	Turkey	December	50.0	Production and supply of air conditioning products
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	Real estate
LG-MRI LLC	USA	December	50.0	Production and supply of digital display products
Neolite ZKW Lightings PVT Ltd.	India	March	26.0	Production and sales of vehicle components
LG-LHT Aircraft Solutions GmbH	Germany	December	49.0	Production and sales of aircraft components
LG-LHT Passenger Solutions GmbH	Germany	December	49.0	Production and sales of aircraft components
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	Sales of electronic products
Alluto LLC <sup>1</sup>	USA	December	51.0	Automotive software license

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

Name of joint venture	Location	Closing month	Percentage of ownership (%)	Nature of relationships with the Group
FITNESSCANDY Co., Ltd. <sup>1</sup>	Korea	December	51.0	Production and sales of media contents

<sup>1</sup> Classified as a joint venture although the percentage of ownership is more than 50% because the Group has joint control by a joint venture agreement.

iii) Above associates and joint ventures are accounted for using the equity method.

#### (c) Changes in investments in associates and joint ventures

i) Changes in the carrying amounts of investments in associates for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
<b>At January 1</b>	5,099,208	4,416,616
Acquisition	20,000	10,000
Gain(Loss) from equity method valuation	(136,918)	227,822
Share of other comprehensive income of associates	166,025	104,810
Withdrawal of investments by dividend / capital reduction / liquidation and others	(96,406)	(5,250)
Changes in share of associates	53	89
Exchange differences	865	373
<b>At June 30</b>	<b>5,052,827</b>	<b>4,754,460</b>

ii) Changes in the carrying amounts of investments in joint ventures for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
<b>At January 1</b>	50,036	54,974
Acquisition	14,031	9,840
Loss from equity method valuation	(2,442)	(1,915)
Share of other comprehensive loss of joint ventures	(1,930)	(3,750)
Withdrawal of investments by dividend / capital reduction / liquidation and others	(540)	(274)
Exchange differences	139	95
<b>At June 30</b>	<b>59,294</b>	<b>58,970</b>



## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

- (d) Summarized financial information of the associates that are material to the reporting entity as at June 30, 2022 and December 31, 2021, and for the three-month and six-month periods ended June 30, 2022 and 2021, is as follows:

- LG Display Co., Ltd. and its subsidiaries

<i>(in millions of Korean won)</i>	June 30, 2022	December 31, 2021
Current assets	11,990,079	13,187,067
Non-current assets	26,315,363	24,967,448
<b>Total assets</b>	<b>38,305,442</b>	<b>38,154,515</b>
Current liabilities	14,975,599	13,994,817
Non-current liabilities	8,699,509	9,397,197
<b>Total liabilities</b>	<b>23,675,108</b>	<b>23,392,014</b>
Equity attributable to the owners of LG Display Co., Ltd.	12,929,769	13,118,855
Non-controlling interests	1,700,565	1,643,646
<b>Total equity</b>	<b>14,630,334</b>	<b>14,762,501</b>

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
Net sales	5,607,318	12,078,798	6,965,570	13,848,331
Profit (Loss) for the period	(382,031)	(327,753)	423,834	689,645
Equity attributable to owners of LG Display Co., Ltd.				
Profit (Loss) for the period	(404,604)	(384,563)	363,041	591,053
Other comprehensive income (loss), net of tax	287,790	428,057	76,714	269,639
Total comprehensive income (loss), net of tax	(116,814)	43,494	439,755	860,692

Dividends received from LG Display Co., Ltd. for the six-month period ended June 30, 2022 are ₩88,156 million (2021: nil).

- (e) Reconciliations of the summarized financial information of associates that are material to the reporting entity to the carrying amount of the Group's interest for the six-month periods ended June 30, 2022 and 2021, are as follows:

- LG Display Co., Ltd. and its subsidiaries

<i>(in millions of Korean won)</i>	2022	2021
Opening equity attributable to owners of LG Display Co., Ltd.	13,118,855	11,401,042
Profit(Loss) for the period	(384,563)	591,053
Other comprehensive income (loss), net of tax	428,057	269,639
Dividends	(232,580)	-
Closing equity attributable to owners of LG Display Co., Ltd.	12,929,769	12,261,734
Group ownership	37.9%	37.9%
The Group's share at the end of the reporting period	4,900,847	4,647,637
Unrealized gain	(99,041)	(103,800)

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Carrying amount at the end of the reporting period	4,801,806	4,543,837
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- (f) The Group's share in the operating results of the individually insignificant associates and joint ventures for the three-month and six-month periods ended June 30, 2022 and 2021, is as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>			
	<b>Associates</b>		<b>Joint ventures</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Profit (loss) for the period	7,085	7,815	(1,586)	(2,683)
Other comprehensive income (loss), net of tax	1,990	3,778	(576)	(1,932)
<b>Total comprehensive income (loss), net of tax</b>	<b>9,075</b>	<b>11,593</b>	<b>(2,162)</b>	<b>(4,615)</b>

<i>(in millions of Korean won)</i>	<b>2021</b>			
	<b>Associates</b>		<b>Joint ventures</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Profit (loss) for the period	4,234	564	(350)	(1,771)
Other comprehensive income (loss), net of tax	453	2,606	(1,654)	(3,755)
<b>Total comprehensive income (loss), net of tax</b>	<b>4,687</b>	<b>3,170</b>	<b>(2,004)</b>	<b>(5,526)</b>

- (g) There are no accumulated unrecognized changes in equity due to discontinued use of the equity method as at June 30, 2022 and December 31, 2021.

- (h) Details of marketable investments in associates as at June 30, 2022 and December 31, 2021, are as follows:

<b>June 30, 2022</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	14,550	1,973,344	4,801,806
Robostar Co., Ltd.	Associate	3,256,500	18,200	59,268	76,557
ROBOTIS Co., Ltd.	Associate	961,550	18,100	17,404	8,430

<b>December 31, 2021</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	24,600	3,336,375	4,872,471
Robostar Co., Ltd.	Associate	3,256,500	26,550	86,460	77,033
ROBOTIS Co., Ltd.	Associate	961,550	24,700	23,750	8,639

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**12. Borrowings**

(a) Carrying amounts of borrowings as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Current</b>		
Short-term borrowings	888,079	330,086
Current portion of long-term borrowings	586,403	856,648
Current portion of debentures	564,346	708,866
<b>Subtotal</b>	<b>2,038,828</b>	<b>1,895,600</b>
<b>Non-current</b>		
Long-term borrowings	3,918,974	3,142,863
Debentures	4,463,535	4,893,090
<b>Subtotal</b>	<b>8,382,509</b>	<b>8,035,953</b>
<b>Total</b>	<b>10,421,337</b>	<b>9,931,553</b>

(b) Details of borrowings as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>Latest maturity date</b>	<b>Annual interest rate at June 30, 2022(%)</b>	<b>Carrying amount</b>	
			<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Short-term borrowings in local currency</b>				
Shinhan Bank and others <sup>1</sup>	-	2.60 ~ 6.30	35,702	24,869
<b>Short-term borrowings in foreign currency</b>				
Citibank and others <sup>1</sup>	-	0.60 ~ 10.26	852,377	305,217
<b>Long-term borrowings in local currency</b>				
Korea Development Bank and others	2035. 1. 9	2.21 ~ 4.20	2,739,750	2,213,607
<b>Long-term borrowings in foreign currency</b>				
Hana Bank and others	2031. 7.28	0.75 ~ 7.86	1,765,627	1,785,904
<b>Local currency debentures</b>				
Public, non-guaranteed bonds	2036. 5. 4	1.33 ~ 4.44	3,390,000	3,880,000
Private, non-guaranteed bonds	2041. 2. 9	1.99 ~ 4.21	1,080,000	1,080,000
<b>Foreign currency debentures</b>				
Private, non-guaranteed bonds	2028. 6. 8	2.57 ~ 3.89	369,102	460,668
Private, guaranteed bonds	2026.10.26	0.54 ~ 2.28	199,650	193,509
Less: discount on debentures			(10,871)	(12,221)
<b>Total</b>			<b>10,421,337</b>	<b>9,931,553</b>

<sup>1</sup> It includes short-term borrowings collateralized by trade receivables as at June 30, 2022 and December 31, 2021.

The Group entered into interest rate swap and cross-currency swap contracts to hedge cash flow risk related to floating interest rate and foreign exchange rate of some portion of borrowings (Note 32).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

The principal and interests of certain private guaranteed bonds of the Group are guaranteed by Shinhan Bank (Note 29).

**13. Lease Liabilities**

(a) Details of lease liabilities as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Lease liabilities</b>		
Current	299,943	292,526
Non-current	763,230	662,896
<b>Total</b>	<b>1,063,173</b>	<b>955,422</b>

(b) The amounts, relating to leases, recognized in the consolidated interim statements of profit or loss for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Interest expense relating on lease liabilities	16,933	15,368
Short-term lease payments (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	27,942	28,727
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	14,027	11,503
Expense relating to variable lease payments not included in the measurement of lease liabilities (included in selling and marketing expenses, administrative expenses, and others)	54,963	55,976
<b>Subtotal</b>	<b>113,865</b>	<b>111,574</b>
<b>Discontinued operations</b>	<b>577</b>	<b>7,742</b>
<b>Total</b>	<b>114,442</b>	<b>119,316</b>

(c) Total expenses for leases including short-term leases and leases of low-value assets for the six-month period ended June 30, 2022, are ₩278,144 million (June 30, 2021: ₩265,968 million).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**14. Post-employment Benefits**

**Defined Benefit Plan**

(a) The amounts of net defined benefit liabilities (assets) as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Present value of funded obligations	3,538,368	4,200,364
Present value of unfunded obligations	108,445	52,362
<b>Subtotal</b>	<b>3,646,813</b>	<b>4,252,726</b>
Fair value of plan assets	(3,784,571)	(4,056,627)
<b>Net defined benefit liabilities (assets)<sup>1</sup></b>	<b>(137,758)</b>	<b>196,099</b>

<sup>1</sup> Net defined benefit assets are included.

(b) The amounts recognized in the consolidated interim statements of profit or loss for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Current service cost	213,874	208,292
Past service cost	-	(159)
Net interest cost	3,204	5,532
Operating management cost	1,629	1,475
<b>Total</b>	<b>218,707</b>	<b>215,140</b>

(c) Line items in which expenses are included for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	92,081	99,423
Selling and marketing expenses	46,780	31,982
Administrative expenses	17,805	12,148
Research and development expenses	38,940	33,083
Service costs	16,547	13,505
<b>Subtotal</b>	<b>212,153</b>	<b>190,141</b>
<b>Discontinued operations</b>	<b>6,554</b>	<b>24,999</b>
<b>Total</b>	<b>218,707</b>	<b>215,140</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(d) Movements in the present value of defined benefit obligations for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	4,252,726	4,029,147
Current service cost	213,874	208,292
Past service cost	-	(159)
Interest expense	60,324	46,664
Remeasurements for:		
- Actuarial loss (gain) arising from changes in financial assumptions	(570,070)	(134,698)
- Actuarial loss (gain) from experience adjustments	-	1,278
Benefits paid	(314,940)	(146,990)
Others <sup>1</sup>	4,899	1,983
<b>At June 30</b>	<b>3,646,813</b>	<b>4,005,517</b>

<sup>1</sup> Others include effects of exchange rate changes.

(e) Movements in the fair value of plan assets for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	4,056,627	3,540,730
Interest income	57,120	41,132
Remeasurements of plan assets	(18,850)	(10,320)
Employer contributions	1,420	21,299
Benefits paid	(310,423)	(96,574)
Operating management cost	(1,629)	(1,475)
Others <sup>1</sup>	306	413
<b>At June 30</b>	<b>3,784,571</b>	<b>3,495,205</b>

<sup>1</sup> Others include effects of exchange rate changes.

(f) The significant actuarial assumptions used as at June 30, 2022 and December 31, 2021, are as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Weighted average discount rate of the Group	4.4%	2.9%
Weighted average expected salary growth rate of the Group	5.0%	5.0%

As at June 30, 2022, the discount rates applied to the Parent Company and subsidiaries are between 0.1%~7.9% (December 31, 2021: 0.1%~7.9%), and the expected salary growth rates are between 1.0%~10.0% (December 31, 2021: 1.0%~10.0%).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as at June 30, 2022, is as follows:

<i>(in millions of Korean won)</i>	<b>1%p increase</b>	<b>1%p decrease</b>
Discount rate	(332,049)	386,217
Expected salary growth rate	368,155	(329,899)

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

**Defined Contribution Plan**

The expense recognized for the six-month period ended June 30, 2022 in relation to the defined contribution plan was ₩7,614 million (June 30, 2021: ₩6,937 million).

**15. Provisions**

Changes in provisions for the six-month periods ended June 30, 2022 and 2021, are as follows:

<b>2022</b>				
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	2,767,091	50,480	165,438	2,983,009
Additions <sup>1</sup>	397,255	(10,798)	7,737	394,194
Utilizations	(1,113,440)	(2,850)	(22,522)	(1,138,812)
Exchange differences	21,866	(155)	8,326	30,037
<b>At June 30</b>	<b>2,072,772</b>	<b>36,677</b>	<b>158,979</b>	<b>2,268,428</b>
Current	1,921,032	11,344	14,951	1,947,327
Non-current	151,740	25,333	144,028	321,101
<b>2021</b>				
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	966,233	47,038	182,508	1,195,779
Additions <sup>1</sup>	1,020,966	4,111	36,714	1,061,791
Utilizations	(389,407)	(1,098)	(16,828)	(407,333)
Exchange differences	8,530	110	4,982	13,622
<b>At June 30</b>	<b>1,606,322</b>	<b>50,161</b>	<b>207,376</b>	<b>1,863,859</b>
Current	1,315,432	20,576	16,493	1,352,501
Non-current	290,890	29,585	190,883	511,358

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

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**16. Paid-in Capital**

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

	Par value per share	June 30, 2022		December 31, 2021	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Ordinary shares	5,000	163,647,814	818,239	163,647,814	818,239
Preferred shares	5,000	17,185,992	85,930	17,185,992	85,930
<b>Total</b>		<b>180,833,806</b>	<b>904,169</b>	<b>180,833,806</b>	<b>904,169</b>

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

(b) Share premium balance as at June 30, 2022, is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying amount of net assets acquired from the entity spin-off back on April 1, 2002, less the Parent Company's capital of ₩783,961 million and less the Parent Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion right and warrants in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

**17. Retained Earnings**

Retained earnings as at June 30, 2022 and December 31, 2021, consist of:

(in millions of Korean won)	June 30, 2022	December 31, 2021
Legal reserve <sup>1</sup>	246,609	231,218
Discretionary reserve	4,539,499	5,569,863
Unappropriated retained earnings <sup>2</sup>	11,331,351	8,632,506
<b>Total</b>	<b>16,117,459</b>	<b>14,433,587</b>

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

<sup>2</sup> Dividend for the year ended December 31, 2021 of ₩153,915 million was approved at the annual general meeting held on March 24, 2022, and paid in April 2022 (2021 payments: ₩216,938 million).



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**18. Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive income (loss) as at June 30, 2022 and December 31, 2021, consists of:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Accumulated share of other comprehensive income (loss) of associates and joint ventures	195,708	88,013
Cash flow hedge	46,259	(36,660)
Financial assets at fair value through other comprehensive income	(9,137)	7,360
Exchange differences on translation of foreign operations	(222,432)	(1,177,626)
<b>Subtotal</b>	<b>10,398</b>	<b>(1,118,913)</b>
Accumulated other comprehensive income held for sale	6,393	12,299
<b>Subtotal</b>	<b>6,393</b>	<b>12,299</b>
<b>Total</b>	<b>16,791</b>	<b>(1,106,614)</b>

**19. Other Components of Equity**

Other components of equity as at June 30, 2022 and December 31, 2021, consist of:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Treasury shares <sup>1</sup>	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
Capital transactions within the Group and others	(55,351)	(55,859)
<b>Total</b>	<b>(88,170)</b>	<b>(88,678)</b>

<sup>1</sup> The Parent Company has treasury shares consisting of 763,176 ordinary shares (December 31, 2021: 763,176 shares) and 4,693 preferred shares (December 31, 2021: 4,693 shares) at the end of the reporting period. The Parent Company intends to either grant these treasury shares to employees and directors as compensation or to sell them in the future.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**20. Net Sales**

(a) Details of net sales for the three-month and six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Revenue from contracts with customers:				
Sales of goods	18,810,889	38,203,830	16,467,062	33,638,081
Rendering of services and others	456,879	1,844,219	301,967	605,224
<b>Subtotal</b>	<b>19,267,768</b>	<b>40,048,049</b>	<b>16,769,029</b>	<b>34,243,305</b>
Revenue from other sources:				
Rental income and others	196,275	384,996	163,182	322,045
<b>Subtotal</b>	<b>19,464,043</b>	<b>40,433,045</b>	<b>16,932,211</b>	<b>34,565,350</b>
<b>Discontinued operations:</b>	<b>124,072</b>	<b>312,809</b>	<b>749,072</b>	<b>1,925,414</b>
<b>Total</b>	<b>19,588,115</b>	<b>40,745,854</b>	<b>17,681,283</b>	<b>36,490,764</b>

(b) Details of revenue from contracts with customers for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
By type of products:		
Refrigerator/ washing machine/ air conditioner and others	15,658,005	13,207,316
TV/AV and others	7,513,806	8,043,392
In-vehicle infotainment and others	3,907,397	3,431,601
Monitor/PC and others	3,410,119	3,103,475
Camera module and others	7,655,245	5,427,219
Others <sup>1</sup>	1,903,477	1,030,302
By major geographical market <sup>2</sup> :		
Korea	14,843,024	11,693,827
North America	9,326,779	7,967,679
Asia	4,302,527	3,374,510
Europe	6,001,500	6,045,651
South America	1,560,105	1,577,802
Middle East & Africa	1,834,487	1,433,948
China	1,348,886	1,283,110
Russia and others	830,741	866,778
Timing of transfer:		
Transferred at a point in time	38,500,206	33,178,150
Transferred over time	1,547,843	1,065,155
<b>Total</b>	<b>40,048,049</b>	<b>34,243,305</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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

<sup>2</sup> Sales by major geographical market are the sales by region in which the Group is located.

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

Due to the factors causing the changes in the costs of VS and other segments during the six-month period ended June 30, 2022, the estimated total contract revenue and costs for contracts in progress have changed. Details of changes in estimated total contract revenue and costs and the impact on profit or loss for the six-month period ended June 30, 2022 and the succeeding periods are as follows:

<i>(in millions of Korean won)</i>	Changes in estimated total contract revenue	Changes in estimated total contract cost	Impact on profit or loss for the period ended June 30, 2022	Impact on profit or loss for the succeeding periods
VS	42,832	44,853	(7,688)	5,667
Other segments	101,510	87,617	1,380	12,513
<b>Total</b>	<b>144,342</b>	<b>132,470</b>	<b>(6,308)</b>	<b>18,180</b>

**21. Expenses by Nature**

Expenses that are recorded by nature for the three-month and six-month periods ended June 30, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Changes in finished goods and work-in-process	500,123	94,552	(363,694)	(569,296)
Raw materials and merchandise used	11,341,972	23,657,182	10,152,087	20,752,413
Employee benefit expense	2,273,254	4,920,520	2,032,168	3,969,610
Depreciation and amortization	727,171	1,437,162	659,744	1,295,057
Advertising expense	396,695	637,466	393,811	579,304
Promotion expense	116,783	209,693	130,207	243,559
Freight expense	1,045,568	2,120,299	741,150	1,446,046
Commission expense	1,087,518	2,115,675	884,925	1,771,852
Other expenses	1,182,705	2,505,352	1,401,712	2,360,898
<b>Subtotal<sup>1</sup></b>	<b>18,671,789</b>	<b>37,697,901</b>	<b>16,032,110</b>	<b>31,849,443</b>
<b>Discontinued operations</b>	<b>191,068</b>	<b>444,014</b>	<b>1,849,799</b>	<b>3,325,301</b>
<b>Total</b>	<b>18,862,857</b>	<b>38,141,915</b>	<b>17,881,909</b>	<b>35,174,744</b>

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

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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

Details of general operating expenses for the three-month and six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Salaries	935,718	1,828,272	794,920	1,511,578
Post-employment benefits	72,347	251,301	46,698	95,681
Employee welfare benefits	217,320	453,444	168,265	338,195
Freight expense	1,036,218	2,104,376	737,041	1,438,025
Rental expense	20,797	39,623	18,637	36,818
Commission expense	798,019	1,549,902	650,783	1,250,609
Depreciation	139,858	272,162	118,312	233,318
Amortization	33,279	65,764	27,523	54,800
Advertising expense	396,695	637,466	393,811	579,304
Promotional expense	116,783	209,693	130,207	243,559
R&D expense	89,481	154,834	81,593	139,876
Direct service costs	153,581	285,982	407,542	509,947
(Reversal of) bad debts expense	(605)	2,984	(31,133)	(29,808)
Others	204,568	365,854	84,547	213,370
<b>Subtotal</b>	<b>4,214,059</b>	<b>8,221,657</b>	<b>3,628,746</b>	<b>6,615,272</b>
<b>Discontinued operations:</b>	<b>98,563</b>	<b>142,340</b>	<b>932,900</b>	<b>1,305,763</b>
<b>Total</b>	<b>4,312,622</b>	<b>8,363,997</b>	<b>4,561,646</b>	<b>7,921,035</b>

#### 23. Financial Income

Financial income for the three-month and six-month periods ended June 30, 2022 and 2021, consists of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Interest income	37,239	61,095	17,991	36,705
Exchange differences	200,446	403,168	72,433	220,709
Gain on derivatives	11,224	16,154	4,597	13,294
<b>Subtotal</b>	<b>248,909</b>	<b>480,417</b>	<b>95,021</b>	<b>270,708</b>
<b>Discontinued operations:</b>	<b>1,282</b>	<b>2,529</b>	<b>9,005</b>	<b>28,659</b>
<b>Total</b>	<b>250,191</b>	<b>482,946</b>	<b>104,026</b>	<b>299,367</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**24. Financial Expenses**

Financial expenses for the three-month and six-month periods ended June 30, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Interest expense	81,729	154,203	44,047	88,010
Exchange differences	230,955	373,496	75,713	187,618
Loss on derivatives	3,939	16,385	9,390	13,830
Loss on disposal of trade receivables	3,967	5,628	1,357	2,968
Others	578	1,405	585	1,195
<b>Subtotal</b>	<b>321,168</b>	<b>551,117</b>	<b>131,092</b>	<b>293,621</b>
<b>Discontinued operations:</b>	<b>7,523</b>	<b>16,207</b>	<b>48,024</b>	<b>96,125</b>
<b>Total</b>	<b>328,691</b>	<b>567,324</b>	<b>179,116</b>	<b>389,746</b>

**25. Other Non-operating Income**

Other non-operating income for the three-month and six-month periods ended June 30, 2022 and 2021, consists of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Dividend income	329	2,816	52	240
Exchange differences	692,636	1,214,912	211,477	614,822
Gain on derivatives	9,790	40,466	3,665	18,098
Gain on disposal of property, plant and equipment	2,369	7,357	1,254	3,772
Gain on disposal of intangible assets	17,338	17,340	55	1,862
Reversal of impairment loss on assets held for sale	-	-	40,324	40,324
Gain on disposal of assets held for sale	-	188,810	26,395	26,395
Gain on valuation of financial assets at fair value through profit or loss	-	920	2,796	24,524
Others	20,552	42,954	39,181	45,320
<b>Subtotal</b>	<b>743,014</b>	<b>1,515,575</b>	<b>325,199</b>	<b>775,357</b>
<b>Discontinued operations:</b>	<b>8,107</b>	<b>16,160</b>	<b>14,933</b>	<b>45,384</b>
<b>Total</b>	<b>751,121</b>	<b>1,531,735</b>	<b>340,132</b>	<b>820,741</b>

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**26. Other Non-operating Expenses**

Other non-operating expenses for the three-month and six-month periods ended June 30, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
<b>Continuing operations:</b>				
Exchange differences	642,768	1,186,675	168,800	612,333
Loss on derivatives	19,001	70,888	25,271	28,237
Loss on disposal of property, plant and equipment	2,338	7,048	6,383	15,153
Impairment loss on property, plant and equipment	11,020	19,771	5,048	10,231
Loss on disposal of intangible assets	6,266	11,914	5,612	14,546
Impairment loss on intangible assets	1,368	23,640	2,452	25,477
Loss on disposal of assets held for sale	-	106	1,451	1,451
Loss on valuation of financial assets at fair value through profit or loss	1,859	7,353	655	5,114
Others	25,328	43,128	16,002	31,704
<b>Subtotal</b>	<b>709,948</b>	<b>1,370,523</b>	<b>231,674</b>	<b>744,246</b>
<b>Discontinued operations:</b>	<b>32,037</b>	<b>113,713</b>	<b>368,607</b>	<b>427,957</b>
<b>Total</b>	<b>741,985</b>	<b>1,484,236</b>	<b>600,281</b>	<b>1,172,203</b>

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

#### 27. Earnings per Share

The Group has no potential dilutive ordinary shares. Accordingly, basic earnings per share is identical to diluted earnings per share.

- (a) Basic earnings (losses) per ordinary share for the three-month and six-month periods ended June 30, 2022 and 2021, is as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
Profit (Loss) attributable to ordinary shares	174,418	1,283,809	(353,085)	549,738
<i>(in millions of Korean won)</i>				
Continuing operations	238,710	1,443,228	645,431	1,782,513
Discontinued operations	(64,292)	(159,419)	(998,516)	(1,232,775)
Weighted average number of ordinary shares outstanding <i>(unit: shares)</i>	162,884,638	162,884,638	162,884,638	162,884,638
Basic earnings (losses) per ordinary share <i>(in Korean won)</i>	1,070	7,881	(2,168)	3,375
Continuing operations	1,465	8,860	3,962	10,943
Discontinued operations	(395)	(979)	(6,130)	(7,568)

- (b) Basic earnings (losses) per preferred share for the three-month and six-month periods ended June 30, 2022 and 2021, is as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	Three months	Six months	Three months	Six months
Profit (Loss) attributable to preferred shares	18,612	135,847	(37,030)	58,416
<i>(in millions of Korean won)</i>				
Continuing operations	25,394	152,663	68,295	188,451
Discontinued operations	(6,782)	(16,816)	(105,325)	(130,035)
Weighted average number of preferred shares outstanding <i>(unit: shares)</i>	17,181,299	17,181,299	17,181,299	17,181,299
Basic earnings (losses) per preferred share <i>(in Korean won)</i>	1,083	7,906	(2,155)	3,400
Continuing operations	1,478	8,885	3,975	10,968
Discontinued operations	(395)	(979)	(6,130)	(7,568)

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**28. Cash Flow Information**

Cash flows from operating activities are presented using the indirect method. Details of cash generated from operations for the six-month periods ended June 30, 2022 and 2021, are as follows:

(a) Cash generated from operations

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Profit for the period	1,739,033	877,180
Adjustments:		
Interest expense, net	93,108	51,305
Exchange differences, net	(28,604)	(16,655)
Gain (Loss) on derivatives, net	30,653	10,675
Depreciation	1,207,820	1,059,247
Amortization	245,070	239,183
Loss (Gain) on disposal of property, plant and equipment and intangible assets, net	(5,735)	24,065
Provisions for severance benefits	219,767	197,078
Additional provisions, net	321,995	616,660
Income tax expense	754,792	706,286
Loss (Gain) from equity method valuation	139,360	(225,907)
Others	(5,394)	18,401
Discontinued operations	137,054	656,031
	<u>3,109,886</u>	<u>3,336,369</u>
Changes in operating assets and liabilities		
Decrease (Increase) in trade receivables	264,548	(210,213)
Decrease (Increase) in other receivables	129,934	8,804
Decrease (Increase) in inventories	509,431	(873,341)
Decrease (Increase) in contract assets	(137,028)	(3,850)
Decrease (Increase) in other assets	(162,626)	(181,939)
Increase (Decrease) in trade payables	(1,386,111)	(595,571)
Increase (Decrease) in other payables	(366,165)	(144,604)
Increase (Decrease) in provisions	(939,635)	(407,333)
Increase (Decrease) in contract liabilities	95,590	(45,239)
Increase (Decrease) in other liabilities	(384,214)	466,239
Payment of defined benefit liability	(12,131)	(57,353)
Deposit in plan assets, net	(56,911)	(50,636)
	<u>(2,445,318)</u>	<u>(2,095,036)</u>
<b>Cash generated from operations</b>	<u>2,403,601</u>	<u>2,118,513</u>



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(b) Changes in liabilities from financing activities

<i>(in millions of Korean won)</i>	2022						
	At January 1	Net cash flows from financing activities	Effects of other changes				At June 30
			Additions	Exchange differences (profit/loss)	Amortization and others	Effects of exchange rate changes	
Borrowings	4,329,597	920,784	-	77,133	-	65,942	5,393,456
Debentures	5,601,956	(605,519)	-	30,004	1,440	-	5,027,881
Lease liabilities	955,422	(164,768)	251,822	(521)	1,066	20,152	1,063,173
Other payables	48,048	-	-	4,971	-	-	53,019
<b>Total</b>	<b>10,935,023</b>	<b>150,497</b>	<b>251,822</b>	<b>111,587</b>	<b>2,506</b>	<b>86,094</b>	<b>11,537,529</b>

  

<i>(in millions of Korean won)</i>	2021						
	At January 1	Net cash flows from financing activities	Effects of other changes				At June 30
			Additions	Exchange differences (profit/loss)	Amortization and others	Effects of exchange rate changes	
Borrowings	4,278,889	68,496	-	14,202	35	41,820	4,403,442
Debentures	5,640,866	37,480	-	17,114	1,476	-	5,696,936
Lease liabilities	862,060	(148,425)	140,726	(282)	1,773	15,769	871,621
<b>Total</b>	<b>10,781,815</b>	<b>(42,449)</b>	<b>140,726</b>	<b>31,034</b>	<b>3,284</b>	<b>57,589</b>	<b>10,971,999</b>

(c) Significant non-cash transactions

<i>(in millions of Korean won)</i>	2022	2021
Reclassification of construction-in-progress to property, plant and equipment	803,229	718,501
Reclassification of construction-in-progress to intangible assets	192,287	149,161
Reclassification of current portion of borrowings and debentures	776,242	920,289
Other payables to acquire property, plant and equipment	482,264	516,692
Other payables to acquire intangible assets	31,184	20,819
Acquisition of right-of-use assets	298,269	154,318

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

- Transfer of CEM(Chemical Electronic Material) business

- i) On November 1, 2021, CEM business was transferred to LG Chem Ltd.
- ii) Total consideration received and the assets and liabilities of the transferred business are as follows:

<i>(in millions of Korean won)</i>	Amount
Total consideration	
Cash and cash equivalents	572,356
Other receivables	26,513
Other payables	(1,123)
Assets of the transferred business:	

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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<i>(in millions of Korean won)</i>	<b>Amount</b>
Cash and cash equivalents	4,376
Trade receivables	213,565
Other receivables	5,474
Inventories	78,601
Property, plant and equipment	184,443
Intangible assets	1,053
Current tax assets	2
Deferred tax assets	40
Contract assets	73
Other assets	3,093
Liabilities of the transferred business:	
Trade payables	130,119
Lease liabilities	400
Other payables	32,687
Provisions	2,383
Contract liabilities	81
Other liabilities	6,097
Foreign currency translation	3,439
Non-controlling interests	9,644

- Transfer of mobile communications production business

- i) On December 6, 2021, mobile communications production business of Inspur LG Digital Mobile Communications Co., Ltd.(LGEYT) and Qingdao LG Inspur Digital Communication Co., Ltd.(LGEQD) was transferred to Langchao.
- ii) Total consideration received and the assets and liabilities of the transferred business are as follows:

<i>(in millions of Korean won)</i>	<b>Amount</b>
Total consideration	
Cash and cash equivalents	9,351
Assets of the transferred business:	
Cash and cash equivalents	8,656
Other receivables	2,599
Property, plant and equipment	2,741
Other assets	34
Liabilities of the transferred business:	
Other payables	322
Deferred tax liabilities	1,491
Other liabilities	20
Foreign currency translation	7,799
Non-controlling interests	3,162

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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#### 29. Contingencies

(a) At the end of the reporting period, borrowings are collateralized by a certain portion of property, plant and equipment (land, buildings) with the pledged amount of ₩172,940 million (December 31, 2021: ₩165,238 million) and the book amount of pledged assets is ₩83,418 million (December 31, 2021: ₩86,907 million). In addition, the Group provided buildings as collateral to Shinhan Bank and others, the mortgagee, in order to guarantee obligations of landlords, who leased the land to the Group, with the pledged amount of ₩14,400 million (December 31, 2021: ₩14,040 million), and the book amount of pledged assets is ₩5,547 million (December 31, 2021: ₩5,923 million).

(b) At the end of the reporting period, the Parent Company and domestic subsidiaries are provided with performance guarantees of ₩417,652 million (December 31, 2021: ₩330,670 million) from Seoul Guarantee Insurance and others relating to the performance guarantees. The Parent Company and LG Innotek Co., Ltd. are provided with guarantee of principal amounting to EUR 100 million and USD 50 million (December 31, 2021: EUR 100 million and USD 50 million) and interests from Shinhan Bank for the guaranteed private placement bonds.

(c) At the end of the reporting period, the Parent Company is providing KEB Hana Bank with a subrogation payment obligation for buyers up to ₩46,000 million (December 31, 2021: ₩46,000 million).

(d) In relation to the Bolt electric vehicle consumers' class action lawsuit filed against General Motors (GM) in November 2020, the Group and others were additionally included as defendants in September 2021, and the ultimate outcome of these case cannot be determined at the reporting date.

(e) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Group cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Group's financial position.

At the end of the reporting period, LG Display Co., Ltd., an associate of the Group, has been accused as a defendant in cases related to the infringement of patents. In addition, LG Display Co., Ltd. is currently under the investigation and civil suit for anti-competitive activities. The outcome of the case may affect the gain or loss from the equity method valuation, but the Group is not individually responsible for the above case and the investigation.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**30. Commitments**

(a) At the end of the reporting period, the Group has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩6,520,999 million (December 31, 2021: ₩6,061,789 million).

(b) At the end of the reporting period, the Group has sales agreements for receivables with various banks including Hana Bank amounting to ₩5,282,353 million (December 31, 2021: ₩5,187,180 million).

(c) At the end of the reporting period, the Group has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,425,200 million (December 31, 2021: ₩1,408,000 million) in connection with the payment of trade payables.

(d) At the end of the reporting period, the Group has commercial paper agreements with Shinhan Bank and others for ₩90,000 million (December 31, 2021: ₩90,000 million).

(e) Contractual commitments for the acquisition of assets

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

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Property, plant and equipment	1,064,091	747,738
Intangible assets	13,286	48,265
Investments in associates and joint ventures	67,738	101,441
<b>Total</b>	<b>1,145,115</b>	<b>897,444</b>

Other than the above commitments, Zenith Electronics LLC(Zenith), a subsidiary, agreed to the tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Alphonso Inc. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Group recognized this commitment as 'other payables'.

In addition, the Parent Company agreed to tender offers based on fair value at certain time in relation to the shares held by non-controlling shareholders of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Group recognized this commitment as 'other payables' and 'other financial liabilities' (Note 33).

In addition, the Group agreed to acquire 60% shares of AppleMango Co., Ltd. with the acquisition cost of ₩6,000 million.

(f) Operating lease commitments – the Group as a lessor

- i) The Group has non-cancellable operating lease agreements regarding home appliance rental business that lends water purifiers and others to customers and real estate rentals business. The future aggregate lease receipts under operating leases at the end of the reporting period, are as follows:

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

<i>(in millions of Korean won)</i>	June 30, 2022				Total lease payments
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	
Home appliance rental	382,679	236,772	103,867	15,536	738,854
Real estate rental	7	-	-	-	7
<b>Total</b>	<b>382,686</b>	<b>236,772</b>	<b>103,867</b>	<b>15,536</b>	<b>738,861</b>

- ii) The Group recognized ₩303,756 million (June 30, 2021: ₩304,029 million) in lease income for the six-month period ended June 30, 2022.

(g) Financial lease commitments – the Group as lessor

- i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022		December 31, 2021	
	Gross investment in the lease <sup>1</sup>	Present value of the minimum lease payments	Gross investment in the lease <sup>1</sup>	Present value of the minimum lease payments
Within one year	17,895	13,438	4,983	3,999
Between 1 and 2 years	18,594	14,883	5,015	4,716
Between 2 and 3 years	18,595	15,680	5,007	4,531
Between 3 and 4 years	18,559	16,485	5,027	4,378
Later than 4 years	33,152	31,672	9,935	8,166
<b>Total</b>	<b>106,795</b>	<b>92,158</b>	<b>29,967</b>	<b>25,790</b>

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

- ii) Unrealized interest income of financial lease as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022	December 31, 2021
Gross investment in the lease	106,795	29,967
Net investment in the lease	92,158	25,790
<b>Unrealized interest income</b>	<b>14,637</b>	<b>4,177</b>

- iii) For the six-month period ended June 30, 2022, the Group recognized income amounting to ₩64,884 million (June 30, 2021: nil) in relation to financial lease contract, and financial income of net investment in the lease amounting to ₩1,469 million (June 30, 2021: nil) is included.

(h) License agreements including patent and trademark

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

Purpose	Related products	Provided by	Used by
Use of license	All products	Qualcomm Incorporated and others	LG Electronics Inc.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Provision of license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.
Use of trademarks	Vehicle components	Magna International Inc.	LG Electronics Inc.

**31. Related Party**

(a) Major transactions for the six-month periods ended June 30, 2022 and 2021, and balances of receivables and payables from transaction with related parties as at June 30, 2022 and December 31, 2021, are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

Classification	Name	2022					
		Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>5</sup>	Total
Significantly influencing the Group	LG Corp.	264	-	264	-	85,442	85,442
Associates	LG Display Co., Ltd. and its subsidiaries	409,229	33,416	442,645	1,876,969	144	1,877,113
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	149	-	149	36,802	13,991	50,793
	Acryl Inc.	-	-	-	-	702	702
	Robostar Co., Ltd. and its subsidiaries	19	-	19	9,482	712	10,194
	<b>Subtotal</b>	<b>409,397</b>	<b>33,416</b>	<b>442,813</b>	<b>1,923,253</b>	<b>15,549</b>	<b>1,938,802</b>
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	43,178	-	43,178	125,382	6	125,388
	EIC PROPERTIES PTE LTD.	-	-	-	-	402	402
	LG-MRI LLC	-	-	-	25,184	-	25,184
	<b>Subtotal</b>	<b>43,178</b>	<b>-</b>	<b>43,178</b>	<b>150,566</b>	<b>408</b>	<b>150,974</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	64,997	343	65,340	76,999	297,796	374,795
	D&O Corp., LTD. and its subsidiaries <sup>2</sup>	2,100	166	2,266	2,005	46,720	48,725
	LG Management Development Institute	790	-	790	71	34,471	34,542
	LG SPORTS Ltd.	11	21	32	280	6,758	7,038
	LG Holdings Japan Co., Ltd.	33	-	33	-	3,113	3,113
	<b>Subtotal</b>	<b>67,931</b>	<b>530</b>	<b>68,461</b>	<b>79,355</b>	<b>388,858</b>	<b>468,213</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	428,158	1,005	429,163	559,494	72	559,566
	LX INTERNATIONAL CORP and its subsidiaries and associates <sup>3</sup>	8,451	1,179	9,630	1,711,058	2,015,882	3,726,940
	LG Uplus Corp and its subsidiaries	13,987	7	13,994	20,125	2,669	22,794
	LX HAUSYS,LTD., its subsidiaries and associates <sup>3</sup>	2,665	372	3,037	1,670	385	2,055

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(in millions of Korean won)

		<b>2022</b>					
<b>Classification</b>	<b>Name</b>	<b>Income transactions</b>			<b>Expense transactions</b>		
		<b>Sales</b>	<b>Others</b>	<b>Total</b>	<b>Purchases</b>	<b>Others<sup>5</sup></b>	<b>Total</b>
	LX Semicon Co., Ltd. <sup>3</sup>	25,905	2,012	27,917	9,664	719	10,383
	LG HOUSEHOLD & HEALTH						
	CARE LTD and its subsidiaries	1,067	1	1,068	221	79	300
	G II R Inc. and its subsidiaries	4,451	-	4,451	27	237,569	237,596
	LX MMA Corporation <sup>3</sup>	29	-	29	-	-	-
	XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>	1,796	20	1,816	853	82,512	83,365
	S&I Corp. <sup>4</sup>	8,447	-	8,447	1,409	25,589	26,998
	<b>Subtotal</b>	<b>494,956</b>	<b>4,596</b>	<b>499,552</b>	<b>2,304,521</b>	<b>2,365,476</b>	<b>4,669,997</b>
	<b>Total</b>	<b>1,015,726</b>	<b>38,542</b>	<b>1,054,268</b>	<b>4,457,695</b>	<b>2,855,733</b>	<b>7,313,428</b>

(in millions of Korean won)

		<b>2021</b>					
<b>Classification</b>	<b>Name</b>	<b>Income transactions</b>			<b>Expense transactions</b>		
		<b>Sales</b>	<b>Others</b>	<b>Total</b>	<b>Purchases</b>	<b>Others<sup>5</sup></b>	<b>Total</b>
Significantly influencing the Group	LG Corp.	291	-	291	-	78,181	78,181
Associates	LG Display Co., Ltd. and its subsidiaries	326,149	44,486	370,635	2,433,485	191	2,433,676
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	391	-	391	29,909	147	30,056
	Acryl Inc.	-	-	-	-	661	661
	ROBOTIS Co., Ltd.	-	-	-	-	3	3
	Robostar Co., Ltd. and its subsidiaries	28	-	28	15,098	2,073	17,171
	<b>Subtotal</b>	<b>326,568</b>	<b>44,486</b>	<b>371,054</b>	<b>2,478,492</b>	<b>3,075</b>	<b>2,481,567</b>
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	32,585	-	32,585	92,335	1	92,336
	EIC PROPERTIES PTE LTD.	-	-	-	-	208	208
	LG-MRI LLC	11,091	-	11,091	15,242	-	15,242
	<b>Subtotal</b>	<b>43,676</b>	<b>-</b>	<b>43,676</b>	<b>107,577</b>	<b>209</b>	<b>107,786</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	75,720	15	75,735	71,171	255,553	326,724
	S&I Corp. and its subsidiaries <sup>2</sup>	11,995	-	11,995	4,935	130,884	135,819
	LG Management Development Institute	642	1	643	17	24,188	24,205
	LG SPORTS Ltd.	8	17	25	-	6,879	6,879
	LG MMA Ltd. <sup>3</sup>	-	-	-	-	19	19
	LG Holdings Japan Co., Ltd.	9	-	9	-	849	849
	<b>Subtotal</b>	<b>88,374</b>	<b>33</b>	<b>88,407</b>	<b>76,123</b>	<b>418,372</b>	<b>494,495</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	670,442	1,115	671,557	800,976	944	801,920
	LX INTERNATIONAL CORP and its subsidiaries and associates <sup>3</sup>	7,009	362	7,371	2,157,912	1,394,420	3,552,332
	LG Uplus Corp and its subsidiaries	42,435	3	42,438	38,355	6,585	44,940
	LX HAUSYS,LTD., its subsidiaries and associates <sup>3</sup>	1,489	556	2,045	567	240	807

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

### June 30, 2022 and 2021 (Unaudited), and December 31, 2021

(in millions of Korean won)

		2021					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>5</sup>	Total
	LX Semicon Co., Ltd. <sup>3</sup>	44,712	1,592	46,304	7,807	411	8,218
	LG HOUSEHOLD & HEALTH						
	CARE LTD and its subsidiaries	2,391	1	2,392	87	150	237
	G II R Inc. and its subsidiaries	3,004	-	3,004	24	177,066	177,090
	LX Holdings Corp. <sup>3</sup>	99	-	99	-	-	-
	LX MMA Corporation <sup>3</sup>	6	-	6	-	-	-
	<b>Subtotal</b>	<b>771,587</b>	<b>3,629</b>	<b>775,216</b>	<b>3,005,728</b>	<b>1,579,816</b>	<b>4,585,544</b>
	<b>Total</b>	<b>1,230,496</b>	<b>48,148</b>	<b>1,278,644</b>	<b>5,667,920</b>	<b>2,079,653</b>	<b>7,747,573</b>

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

<sup>2</sup> The entity changed its name from S&I Corp. to D&O Corp. on April 1, 2022.

<sup>3</sup> LX Holdings Corp. and its affiliates are separated from the corporate group in accordance with independent management on June 21, 2022.

<sup>4</sup> Transactions with entities which were excluded from consolidation due to sales of shares in subsidiaries of D&O Corp. during the three-month period ended March 31, 2022 are included.

<sup>5</sup> Others include acquisition amount of right-of-use assets and interest expense of lease liabilities

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

(in millions of Korean won)

		June 30, 2022							
Classification	Name	Receivables			Payables				
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>6</sup>	Total
Significantly influencing the Group	LG Corp.	47	-	25,658	25,705	-	-	19,154	19,154
Associates	LG Display Co., Ltd. and its subsidiaries	186,009	-	98,947	284,956	413,696	-	87,429	501,125
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	-	-	-	-	41,712	-	147	41,859
	Acryl Inc.	-	-	-	-	-	-	154	154
	Robostar Co., Ltd. and its subsidiaries	11	-	-	11	448	-	9,694	10,142
	<b>Subtotal</b>	<b>186,020</b>	<b>-</b>	<b>98,947</b>	<b>284,967</b>	<b>455,856</b>	<b>-</b>	<b>97,424</b>	<b>553,280</b>
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	15,091	-	-	15,091	45,842	-	5	45,847
	EIC PROPERTIES PTE LTD.	-	-	-	-	-	-	74	74
	LG-MRI LLC	-	-	283	283	5,794	-	16	5,810
	<b>Subtotal</b>	<b>15,091</b>	<b>-</b>	<b>283</b>	<b>15,374</b>	<b>51,636</b>	<b>-</b>	<b>95</b>	<b>51,731</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	31,989	-	143	32,132	8,410	-	155,146	163,556
	D&O Corp., LTD. and its subsidiaries <sup>2</sup>	225	-	1,000	1,225	21	-	5,741	5,762
	LG Management Development Institute	3	-	-	3	-	-	1,354	1,354



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(in millions of Korean won)

		June 30, 2022							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>6</sup>	Total
	LG SPORTS Ltd.	1	-	-	1	-	-	976	976
	LG Holdings Japan Co., Ltd.	-	-	5,406	5,406	-	-	-	-
	<b>Subtotal</b>	<b>32,218</b>	<b>-</b>	<b>6,549</b>	<b>38,767</b>	<b>8,431</b>	<b>-</b>	<b>163,217</b>	<b>171,648</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures <sup>3</sup>	202,020	-	247,487	449,507	408,635	-	25,510	434,145
	LG Uplus Corp and its subsidiaries	1,188	-	9	1,197	2,410	-	585	2,995
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	26	-	254	280	28	-	174	202
	G II R Inc. and its subsidiaries	65	-	650	715	-	-	201,168	201,168
	XI C&A Co., Ltd. and its subsidiaries <sup>4</sup>	1,993	-	-	1,993	-	-	72,242	72,242
	S&I Corp. <sup>4</sup>	5,098	-	18	5,116	821	-	10,026	10,847
	<b>Subtotal</b>	<b>210,390</b>	<b>-</b>	<b>248,418</b>	<b>458,808</b>	<b>411,894</b>	<b>-</b>	<b>309,705</b>	<b>721,599</b>
	<b>Total</b>	<b>443,766</b>	<b>-</b>	<b>379,855</b>	<b>823,621</b>	<b>927,817</b>	<b>-</b>	<b>589,595</b>	<b>1,517,412</b>

(in millions of Korean won)

		December 31, 2021							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>6</sup>	Total
Significantly influencing the Group	LG Corp.	45	-	25,447	25,492	-	-	53,538	53,538
Associates	LG Display Co., Ltd. and its subsidiaries	144,286	-	56,336	200,622	753,472	-	75,527	828,999
	Hitachi-LG Data Storage Inc. (HLDS) and its subsidiaries	110	-	-	110	39,494	-	543	40,037
	Acryl Inc.	-	-	-	-	-	-	120	120
	Robostar Co., Ltd. and its subsidiaries	85	-	-	85	343	-	10,527	10,870
	<b>Subtotal</b>	<b>144,481</b>	<b>-</b>	<b>56,336</b>	<b>200,817</b>	<b>793,309</b>	<b>-</b>	<b>86,717</b>	<b>880,026</b>
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	20,507	-	-	20,507	12,852	-	-	12,852
	EIC PROPERTIES PTE LTD.	-	-	-	-	-	-	68	68
	LG-MRI LLC	8,753	-	1,292	10,045	11,015	-	28	11,043
	<b>Subtotal</b>	<b>29,260</b>	<b>-</b>	<b>1,292</b>	<b>30,552</b>	<b>23,867</b>	<b>-</b>	<b>96</b>	<b>23,963</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	31,234	-	237	31,471	22,091	-	301,526	323,617
	S&I Corp. and its subsidiaries <sup>2</sup>	13,296	-	24,802	38,098	604	-	54,557	55,161
	LG Management Development Institute	31	-	15,544	15,575	-	-	1,396	1,396

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

(in millions of Korean won)

		December 31, 2021							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>6</sup>	Total
	LG SPORTS Ltd.	1	-	-	1	-	-	699	699
	LG Holdings Japan Co., Ltd.	-	-	5,884	5,884	-	-	-	-
	<b>Subtotal</b>	44,562	-	46,467	91,029	22,695	-	358,178	380,873
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures <sup>3</sup>	181,175	-	894,909	1,076,084	291,647	-	16,202	307,849
	LX INTERNATIONAL CORP. and its subsidiaries and associates <sup>5</sup>	17,718	-	3,523	21,241	182,776	-	413,614	596,390
	LG Uplus Corp and its subsidiaries	4,476	-	161	4,637	3,751	-	983	4,734
	LX HAUSYS, LTD. and its subsidiaries and associates <sup>5</sup>	695	-	12	707	486	-	1,119	1,605
	LX Semicon Co., Ltd. <sup>5</sup>	9,021	-	89	9,110	6,486	-	2	6,488
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	1,128	-	2,818	3,946	29	-	162	191
	G II R Inc. and its subsidiaries	33	-	345	378	1,009	-	231,831	232,840
	LX MMA Corporation <sup>5</sup>	81	-	-	81	-	-	-	-
	<b>Subtotal</b>	214,327	-	901,857	1,116,184	486,184	-	663,913	1,150,097
	<b>Total</b>	432,675	-	1,031,399	1,464,074	1,326,055	-	1,162,442	2,488,497

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

<sup>2</sup> The entity changed its name from S&I Corp. to D&O Corp. on April 1, 2022.

<sup>3</sup> The amount agreed to be reimbursed by the related party for provisions to be paid by the Group to a third party is included.

<sup>4</sup> Transactions with entities which were excluded from consolidation due to sales of shares in subsidiaries of D&O Corp. during the three-month period ended March 31, 2022 are included.

<sup>5</sup> LX Holdings Corp. and its affiliates are separated from the corporate group based on their independent management on June 21, 2022.

<sup>6</sup> Other payables include lease liabilities.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

iii) Significant capital transactions and others with related parties for the six-month periods ended June 30, 2022 and 2021, are as follows:

(in millions of Korean won)

		2022						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Group	LG Corp.	-	46,830	-	-	-	-	13,755
Associates	LG Display Co., Ltd.	88,156	-	-	-	-	-	-
	Ericsson-LG Co., Ltd.	8,250	-	-	-	-	-	-
	LG-MRI LLC	540	-	-	-	-	-	-
	LG-LHT Aircraft Solutions GmbH	-	-	5,741	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	5,741	-	-	-	-
	Mirae Asset-LG Electronics New Growth Fund I	-	-	20,000	-	-	-	-
	<b>Subtotal</b>	<b>96,946</b>	<b>-</b>	<b>31,482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other related parties	D&O Corp. <sup>1</sup>	-	-	-	-	-	-	188
	LG CNS Co., Ltd. and its subsidiaries	-	-	-	-	-	-	24
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212</b>
	<b>Total</b>	<b>96,946</b>	<b>46,830</b>	<b>31,482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,967</b>

(in millions of Korean won)

		2021						
		Dividend income	Dividend paid	Cash distribution (reduction)	Financing loan transactions		Financing borrowing transactions <sup>2</sup>	
					Loans	Collections	Borrowings	Repayments
Significantly influencing the Group	LG Corp.	-	66,113	-	-	-	-	13,710
Associates	Ericsson-LG Co., Ltd.	5,250	-	-	-	-	-	-
	LG-MRI LLC	274	-	-	-	-	-	-
	LG-LHT Aircraft Solutions GmbH	-	-	5,296	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	4,241	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD	-	-	303	-	-	-	-
	<b>Subtotal</b>	<b>5,524</b>	<b>-</b>	<b>9,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other related parties	S&I Corp. <sup>1</sup>	-	-	-	-	-	-	180
	<b>Total</b>	<b>5,524</b>	<b>66,113</b>	<b>9,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,890</b>

<sup>1</sup> The entity changed its name from S&I Corp. to D&O Corp. on April 1, 2022.

<sup>2</sup> Repayments of financing borrowing transactions include repayment of principal elements of lease liabilities.

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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- (b) The compensation paid or payable to key management personnel for the six-month periods ended June 30, 2022 and 2021, consists of:

<i>(in millions of Korean won)</i>	2022	2021
Salaries and other short-term benefits	7,559	9,076
Post-employment benefits	773	978
Other long-term benefits	1	43
<b>Total</b>	<b>8,333</b>	<b>10,097</b>

Key management refers to the directors who have significant control and responsibilities on the Group's business plans, operations and control.

- (c) There is no collateral provided by the Group for the financial support of related parties at the end of the reporting period.
- (d) The Group has not recognized any bad debt expense or allowance for trade receivables from related parties at the end of the reporting period.

## 32. Risk Management

### Financial Risk Management

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

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

The Group anticipatively and systematically manages the financial risks over global business activities through its four overseas treasury centers in New Jersey (United States), Amsterdam (Netherlands), Beijing (China), and Singapore in coordination with Finance Division in the Parent Company. And it also helps to improve overseas subsidiaries' business competitiveness by performing integration of their finance functions.

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

The carrying amount and profit or loss of each category of financial instruments, and the details of borrowings related to the financial risk management are presented in Note 5 and Note 12, respectively.

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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(a) Market risk

i) Foreign exchange risk

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

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

The Group's foreign exchange risk management is implemented under its own foreign exchange policy through which the Group can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities. And the Group continuously considers efficient foreign exchange risk hedges against its remaining exposure with derivative financial instruments and scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited in principle.

As at June 30, 2022 and December 31, 2021, if the foreign exchange rate of the Korean won fluctuated for monetary assets and liabilities denominated in major foreign currency other than functional currency by 10% while other variables were fixed, the effects on profit (loss) before tax would be as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>		<b>December 31, 2021</b>	
	<b>10% increase</b>	<b>10% decrease</b>	<b>10% increase</b>	<b>10% decrease</b>
USD/KRW	52,781	(52,781)	(3,521)	3,521
EUR/KRW	4,662	(4,662)	(2,378)	2,378

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

ii) Interest rate risk

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

The Group minimizes its borrowings from others and optimizes its deposits by expanding internal finance sharing. The Group periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	32,396	(32,396)	30,117	(30,117)
Interest expenses	4,287	(4,287)	2,176	(2,176)

iii) Details of derivative contracts are as follows:

*Derivatives for hedging purposes*

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

Details of hedging instruments are as follows:

	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Book amount <i>(in millions of Korean won)</i>	
							Assets	Liabilities
Currency forward	DZ Bank AG and others	CZK 210 (EUR/CZK)	25.9 ~ 26.4	-	2021.10.14 ~ 2021.10.27	2022. 7. 4 ~ 2022.12. 2	468	-
Cross-currency swap	MUFG Bank and others	USD 769 (USD/KRW)	1,067.9 ~ 1,277.0	1.88 ~ 3.64	2017.10.23 ~ 2022. 5.12	2022.11.22 ~ 2031. 7.28	149,471	575
	DBS	SGD 140 (SGD/KRW)	859.3	1.21	2020. 7. 9	2024. 1. 9	14,968	-
Interest rate swap	Woori Bank and others	KRW 941,178 / EUR 100 / USD 231	-	1.00 ~ 4.53	2014. 1. 3 ~ 2018. 5.24	2023. 2.24 ~ 2030. 7. 7	25,281	2,070

Interest rates received for the above swap contracts are equal to annual interest rates of borrowings (Note 12).

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	<b>Hedged items</b>	<b>Book amount</b>	<b>Changes in fair value (net of tax)</b>
Currency forward	Forecast transactions	-	(380)
Cross-currency swap	Borrowings	1,122,707	(88,092)
Interest rate swap	Borrowings	1,374,166	(47,598)

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	<b>Changes in fair value of derivatives (net of tax)</b>	<b>Line items in profit or loss</b>	<b>Reclassified to profit or loss (net of tax)</b>	<b>Other comprehensive profit or loss (net of tax)</b>	<b>Accumulated other comprehensive profit or loss</b>
Currency forward	380	Exchange differences	(557)	(177)	(94)
Cross-currency swap	88,092	Interest expense and exchange differences	(55,641)	32,451	31,452
Interest rate swap	47,598	Interest expense	5,543	53,141	18,933

*Trading purposes*

Currency forward and interest rate swap contracts

The Group entered into the currency forward, the cross-currency swap and the interest rate swap contracts to manage the risk against possible future changes in foreign exchange rates and interest rates. Details of currency forward contracts of subsidiaries and the interest rate swap contracts as at June 30, 2022, and related profit or loss for the six-month period ended June 30, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>Purchase</b>	<b>Sale</b>	<b>Gain (Loss) on valuation</b>	<b>Gain (Loss) on transaction</b>
Currency forward	563,827	560,401	13,074	(48,281)
Interest rate swap	-	-	4,451	-

Stock purchase contracts

According to the put options granted to employees to whom stock options of Cybellum Technologies Ltd. were granted, the Group recognized ₩4,151 million of derivative liabilities and ₩103 million of gain on derivatives transaction during the six-month period ended June 30, 2022.

iv) Price risk

The Group is exposed to price risk through equity securities owned by the Group classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

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

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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

<i>(in millions of Korean won)</i>	June 30, 2022		December 31, 2021	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	4,627	(4,627)	6,789	(6,789)
NASDAQ	1,670	(1,670)	3,300	(3,300)
NYSE	4,081	(4,081)	3,343	(3,343)
Austrian Traded Index	149	(149)	165	(165)

The valuation and changes in book amounts of the financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss related to the market risk above are presented in Note 7.

#### (b) Credit risk

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

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

At the end of the reporting period, trade receivable balance of the Group is ₩8,737,362 million (December 31, 2021: ₩8,277,060 million) and its risk is managed appropriately within insurer's credit limit of ₩26,580,041 million (December 31, 2021: ₩24,367,747 million). Therefore, the Group determined that credit risk exposed to the Group is limited.

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

#### (c) Liquidity risk

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

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



## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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

i) Cash flow information on maturity of financial liabilities as at June 30, 2022, is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Trade payables	7,938,366	7,938,366	-	-	-
Borrowings	11,619,188	2,299,592	1,858,667	3,839,264	3,621,665
Lease liabilities	1,125,469	308,414	215,251	388,352	213,452
Other payables	4,292,304	4,164,511	443	122,038	5,312
Other financial liabilities	7,397	3,349	-	3,642	406
<b>Total</b>	<b>24,982,724</b>	<b>14,714,232</b>	<b>2,074,361</b>	<b>4,353,296</b>	<b>3,840,835</b>

The above cash flows are calculated at nominal value based on the earliest maturity dates and include cash flows of principal and interests. The Group's trading portfolio derivative within other financial liabilities that are not qualified for hedge accounting have been included at their fair value of ₩3,250 million within the less than 1-year time bucket. This is because the contractual maturities are not essential for an understanding of the timing of the cash flows. These contracts are managed on a net-fair value basis rather than by maturity date. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

ii) At the end of the reporting period, the maturity analysis of financial guarantee contracts provided by the Group to third party companies is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Financial guarantee contracts	46,000	46,000	-	-	-

The above cash flow is the maximum amount of guarantees allocated to earliest period in which the Group can be required to make payments.

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

### Capital Risk Management

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

Debt-to-equity ratio and net borrowing ratio as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won, except for ratios)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Liability (A)	32,115,772	33,383,445
Equity (B)	23,253,025	20,098,033
Cash and cash equivalents (C)	6,482,932	6,051,516
Borrowings and lease liabilities (D)	11,484,510	10,886,975
Debt-to-equity ratio (A/B)	138.1%	166.1%
Net borrowings ratio ((D-C)/B)	21.5%	24.1%

### Fair Value Estimation

(a) The book amount and fair value of the Group's financial assets and liabilities as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>			
	<b>Current</b>		<b>Non-current</b>	
	<b>Book amount</b>	<b>Fair value</b>	<b>Book amount</b>	<b>Fair value</b>
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets	10,244	10,244	77,187	77,187
Financial assets at fair value through other comprehensive income				
Trade receivables	984,898	1	-	-
Other financial assets	-	-	121,311	121,311
Derivatives for hedging purposes				
Other financial assets	17,077	17,077	173,111	173,111
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	6,482,932	1	-	-
Deposits held by financial institutions	152,473	1	58,888	58,888
Trade receivables	7,565,141	1	2,892	2,892
Other receivables	666,819	1	670,739	657,452
<b>Other assets</b>				
Trade receivables	13,435	1	78,720	78,720
<b>Total</b>	<b>15,893,019</b>		<b>1,182,848</b>	

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	June 30, 2022			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	3,250	3,250	4,159	4,159
Derivatives for hedging purposes				
Other financial liabilities	-	-	2,645	2,645
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	7,938,366	1	-	-
Borrowings	2,038,828	1	8,382,509	7,721,247
Other payables	4,164,469	1	127,673	127,575
<b>Other liabilities</b>				
Lease liabilities	299,943	2	763,230	2
Other financial liabilities	46	3	-	-
<b>Total</b>	<b>14,444,902</b>		<b>9,280,216</b>	

<i>(in millions of Korean won)</i>	December 31, 2021			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets	7,924	7,924	71,221	71,221
Financial assets at fair value through other comprehensive income				
Trade receivables	1,567,007	1	-	-
Other financial assets	-	-	121,222	121,222
Derivatives for hedging purposes				
Other financial assets	10,352	10,352	31,135	31,135
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	6,051,516	1	-	-
Deposits held by financial institutions	146,456	1	58,935	58,935
Trade receivables	6,595,693	1	3,038	3,038
Other receivables	489,056	1	671,903	645,960
<b>Other assets</b>				
Trade receivables	3,759	1	22,040	22,040
<b>Total</b>	<b>14,871,763</b>		<b>979,494</b>	

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	December 31, 2021			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	8,398	8,398	8,695	8,695
Derivatives for hedging purposes				
Other financial liabilities	-	-	51,095	51,095
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	8,741,937	<sup>1</sup>	-	-
Borrowings	1,895,600	<sup>1</sup>	8,035,953	8,043,340
Other payables	4,077,421	<sup>1</sup>	116,330	116,324
<b>Other liabilities</b>				
Lease liabilities	292,526	<sup>2</sup>	662,896	<sup>2</sup>
Other financial liabilities	114	<sup>3</sup>	-	-
<b>Total</b>	<b>15,015,996</b>		<b>8,874,969</b>	

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

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

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

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

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

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

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

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

## **LG Electronics**

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

**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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

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

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

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

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

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through other comprehensive income	38,843	-	82,468	121,311
Financial assets at fair value through profit or loss	688	9,556	77,187	87,431
Derivatives for hedging purposes	-	190,188	-	190,188
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	7,409	-	7,409
Derivatives for hedging purposes	-	2,645	-	2,645
<b>December 31, 2021</b>				
<i>(in millions of Korean won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through other comprehensive income	60,441	-	60,781	121,222
Financial assets at fair value through profit or loss	2,297	5,627	71,221	79,145
Derivatives for hedging purposes	-	41,487	-	41,487
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	17,093	-	17,093
Derivatives for hedging purposes	-	51,095	-	51,095

The above fair value amounts are recurring fair value measurements.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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

Valuation technique and inputs for fair value measurements categorized within 'level 2' as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	Fair value		Valuation techniques	Inputs
	June 30, 2022	December 31, 2021		
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through profit or loss	9,556	5,627	Discounted cash flow	Discount rate and exchange rate
Derivatives for hedging purposes	190,188	41,487	Discounted cash flow	Discount rate and exchange rate
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	7,409	17,093	Discounted cash flow and binomial model	Discount rate and exchange rate share price and volatility
Derivatives for hedging purposes	2,645	51,095	Discounted cash flow	Discount rate and exchange rate

- Valuation techniques and inputs used in the fair value measurements categorized within 'level 3'

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

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

Financial instruments not measured at fair value but for which the fair value is disclosed as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	58,888	58,888
Non-current trade receivables	-	-	81,612	81,612
Non-current other receivables	-	-	657,452	657,452
<b>Liabilities</b>				
Non-current borrowings	-	-	7,721,247	7,721,247
Non-current other payables	-	-	127,575	127,575

# LG Electronics

## Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	58,935	58,935
Non-current trade receivables	-	-	25,078	25,078
Non-current other receivables	-	-	645,960	645,960
<b>Liabilities</b>				
Non-current borrowings	-	-	8,043,340	8,043,340
Non-current other payables	-	-	116,324	116,324

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

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

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

Valuation technique, inputs and unobservable inputs of financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within 'level 3' as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2022		December 31, 2021		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
	Book amount	Fair value	Book amount	Fair value				
<b>Assets</b>								
Non-current deposits held by financial institutions	58,888	58,888	58,935	58,935	Discounted cash flow	Discount rate and exchange rate	Discount rate	0.1% ~ 1.8%
Non-current trade receivables	81,612	81,612	25,078	25,078	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.7% ~ 4.5%
Non-current other receivables	670,739	657,452	671,903	645,960	Discounted cash flow	Discount rate and exchange rate	Discount rate	1.2% ~ 8.6%
<b>Liabilities</b>								
Non-current borrowings	8,382,509	7,721,247	8,035,953	8,043,340	Discounted cash flow	Discount rate and exchange rate	Discount rate	2.7% ~ 5.2%
Non-current other payables	127,673	127,575	116,330	116,324	Discounted cash flow	Discount rate and exchange rate	Discount rate	4.2% ~ 4.3%



**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

**33. Business Combinations**

- (a) On November 1, 2021, the Group acquired 69.6% shares of Cybellum Technologies Ltd. and its subsidiaries in order to secure vehicle security technology.

The following table summarizes the consideration paid and the fair value of assets acquired and liabilities assumed:

<i>(in millions of Korean won)</i>	<b>Amount</b>
Consideration	
Cash and cash equivalents	109,558
Other payables <sup>1</sup>	48,048
Other financial liabilities <sup>1</sup>	4,151
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	
Cash and cash equivalents	5,168
Trade receivables <sup>2</sup>	237
Other assets	92
Non-current assets	
Property, plant and equipment	1,039
Intangible assets	58,018
Other assets	265
Current liabilities	
Trade and other payables	2,114
Other liabilities	1,216
Non-current liabilities	
Other payables	169
Other liabilities	958
Deferred tax liabilities	13,344
<b>Fair value of total identifiable net assets</b>	<b>47,018</b>
Non-controlling interests <sup>3</sup>	4,348
<b>Goodwill<sup>4</sup></b>	<b>119,087</b>

<sup>1</sup> According to the non-controlling interest in Cybellum Technologies Ltd. and the put options grant to employees to whom stock options were granted, the Group recognized such obligation as financial liabilities at the acquisition date.

<sup>2</sup> The fair value of above trade receivables is the same as the contractual amount in gross.

<sup>3</sup> Non-controlling interests of ₩4,348 million is the fair value of share options issued by Cybellum Technologies Ltd. measured at the acquisition date.

<sup>4</sup> Goodwill incurred in a business combination amounting to ₩119,087 million is due to an increase in sales from integration of business with Cybellum Technologies Ltd. and its subsidiary, which is not allowed to be tax deductible.

The acquisition-related direct costs in relation to business combination amounting to ₩2,250 million was recognized as expenses as incurred.

**LG Electronics**  
**Notes to the Consolidated Interim Financial Statements**  
**June 30, 2022 and 2021 (Unaudited), and December 31, 2021**

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**34. Assets Classified as Held for Sale**

- (a) Details of assets classified as held for sale as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022<sup>1</sup></b>	<b>December 31, 2021<sup>2</sup></b>
Assets held for sale		
Cash and cash equivalents	-	58,371
Land	30,660	35,079
Building	18,322	58,174
Machinery	7,895	19,280
Other property, plant and equipment	937	773
Intangible assets	34	-
Other assets	8,881	8,403
<b>Total</b>	<b>66,729</b>	<b>180,080</b>

<sup>1</sup> The sale is in progress as at June 30, 2022 and expected to be completed by 2022.

<sup>2</sup> The sale of LED business of LG Innotek Co., Ltd. and its subsidiaries was completed for the six-month period ended June 30, 2022 and the sale of land and buildings held by the Group is in progress.

- (b) Assets held for sale were measured at fair value less costs to sell before the reclassification, and the Group recognized impairment loss on property, plant and equipment amounting to ₩4,803 million in 2022.
- (c) Details of other components of equity as held for sale as at June 30, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Exchange differences on translation of foreign operations	6,393	12,299

## LG Electronics

### Notes to the Consolidated Interim Financial Statements

June 30, 2022 and 2021 (Unaudited), and December 31, 2021

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#### 35. Discontinued Operation

In 2022 and 2021, the Group discontinued the operations of energy business and MC business, respectively, in order to focus on the Group's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

Profit and loss from discontinued operation for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Net sales	312,809	1,925,414
Operating loss	(131,205)	(1,399,887)
Loss before income tax <sup>1</sup>	(242,436)	(1,849,926)
Income tax expense <sup>1</sup>	(66,125)	(483,380)
Loss for the period, net of tax	(176,311)	(1,366,546)

<sup>1</sup> It includes an impairment loss and loss on disposal of property, plant and equipment and intangible assets amounting to ₩92,431 million due to discontinued operations of MC and energy business, and income tax benefits of ₩24,505 million for the related profit or loss during the six-month period ended June 30, 2022.

Cash flows from discontinued operations for the six-month periods ended June 30, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Net cash inflow (outflow) from operating activities	(85,530)	(930,420)
Net cash inflow (outflow) from investing activities	179,541	61,876
Net cash inflow (outflow) from financing activities	(94,011)	868,544