LG Energy Solution and SK Innovation Reach Agreement to End USITC Trade Secret Dispute and End Litigation

Washington—LG Energy Solution and SK Innovation announced on April 11th (Korea time) that they have agreed to settle all legal disputes relating to EV batteries in the United States and Korea.

As a result, all litigation between the companies, which began in April 2019, is resolved. In this agreement, the two companies agreed to the following terms.

- SK Innovation will pay LG Energy Solution 2 trillion won (USD \$1.8 billion) apportioned into lumpsum payments and a running royalty.
- The companies agreed to withdraw all pending legal disputes in United States and Korea, and agreed to a ten-year non-assertion.

"LG Energy Solution and SK Innovation have decided to settle to compete in an amicable way, all for the future of the U.S. and South Korean electric vehicle battery industries," said Jong Hyun Kim, CEO and President of LG Energy Solution and Jun Kim, CEO and President of SK Innovation. "We are dedicated to work together to support the Biden Administration's climate agenda and to develop a robust U.S. supply chain."

The two CEOs added, "We are grateful to the Korean and U.S. governments and stakeholders involved for their efforts in making this settlement possible."

LG Energy Solution's Official Statement

Jong Hyun Kim stated, "This settlement demonstrates LG Energy Solution's willingness to protect and maintain a fair and competitive climate within the EV industry. This agreement also reinforces the significance of our intellectual property acquired over the past 30 years."

He also stated, "LG Energy Solution is grateful to the U.S. government and stakeholders involved for their efforts in making this settlement possible. The agreement will help provide a stable battery supply chain for important partners, including Ford and Volkswagen, while also allowing SK Innovation to operate its Georgia plant undisrupted. The agreement allows the two companies to peacefully coexist in the global market and compete in good faith."

Kim added, "As a global pioneer in the industry, LG Energy Solution will continue to make bold investments that align with President Biden's environmental policies. The company intends to play an important role in ensuring a successful large-scale expansion of battery supplies and electric vehicles. To make this possible, the company will further accelerate its investment efforts including investing over \$4.5 billion in its own U.S. business by 2025. LG Energy Solution is close to finalizing its second joint venture plant with GM."

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