

Annual Report

2022

Hyundai Motor Manufacturing Czech s.r.o.



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Foreword by the President of the Company



Hyundai Motor Manufacturing Czech (HMMC) is the only Hyundai production plant in the EU. The importance of the plant is therefore fundamental for the European activities of the parent company, Hyundai Motor Company. Cars of local production represent the majority of Hyundai vehicles sold on the European market.

The operations of the firm in 2022 were negatively impacted by high energy and material prices and increased logistics costs, but mostly by uncertainty in supplies of parts. The lack of semiconductors was felt even more than in prior years.

Due to the continued high demand for our vehicles, the enormous efforts of our employees and close co-operation with suppliers, we managed to flexibly adjust the production plan according to the available components at the specific moment, so it was not necessary to stop the production lines.

I am proud that we managed to produce 322,500 vehicles, which is 1,000 more than we planned and even more than in the last pre-crisis year 2019. While numerous carmakers have not yet recovered from the decline in 2020, the Company managed to increase production, specifically by 17%. As such, we contributed to a further significant increase in the market share of the Hyundai brand in the European market.

The TUCSON model continued to account for the largest share of production in 2022, accounting for almost 72% of total production, with around 2 out of 5 TUCSONs produced in hybrid or plug-in hybrid versions. The i30 model line had a production share of 17%. Hyundai i30 N accounted for 2% of the production and KONA Electric made up for 9% of the production. E-cars, hybrids and plug-in hybrids accounted for almost 40% of the production in 2022.

Europe and the Middle East remain our primary markets, with most vehicles sold to Germany in 2022.

An important milestone in the transition to electromobility was the completion of the conversion of the former Transmission Plant II hall into a battery assembly plant for electrified cars. Mobis Automotive Czech started the production of batteries in these premises in November.

We also celebrated significant anniversaries. In autumn, we manufactured the 5,000,000th transmission and a big opportunity for celebration was the 4,000,000th car from the Nošovice plant, which was Hyundai TUCSON N Line in November.

The Company won the Czech Employer of the Decade award in the category of under 5,000 employees, confirming that we are on the right path in the long run regarding the welfare of our employees. The number of employees, both in-house and agency, surpassed 3,000 persons during the entire year.

An important part of our corporate culture is striving to be a good neighbour in the community. That is why we supported projects in the surrounding municipalities, both financially and by involving our employees. We supported selected events in the region and continued the partnership in the areas of sports, environment and education. We will continue our community service activities with a strong emphasis on sustainable business and the development of the economy and quality of life of people in the region.

Hyundai Motor Manufacturing Czech in Nošovice remains one of the leading production plants in the Moravian-Silesian Region and one of the driving forces of the Czech economy. Building the Hyundai plant and its sub-contractor firms has generated more than 12,000 new jobs in the Moravian-Silesian Region and state-of-the-art automotive technology. This will remain unchanged in the future as well. Already in 2023, we plan to significantly increase the production of purely electric cars. Although 2023 will again be a very demanding year, it may be said with certainty that HMMC is fully prepared to successfully face all challenges it may bring.

I am presenting the Annual Report for the year ended 31 December 2022.

In Nižní Lhoty on 6 February 2023

A handwritten signature in blue ink, likely belonging to Changki Lee.

Changki Lee
President and CEO
Hyundai Motor Manufacturing Czech s.r.o.

Company's Profile



Hyundai Motor Manufacturing Czech s.r.o. (hereinafter “HMMC”), with its registered office in the Industrial Zone in Nošovice, was founded on 7 July 2006 as a company owned solely by Hyundai Motor Company (hereinafter “HMC”), with its registered office in Seoul, Korea.

Hyundai operates 16 production plants worldwide. Three in Korea, five in China, two in India and one each in Turkey, the Czech Republic, Brazil, the United States, Indonesia and Russia. The last named is on hold due to Russian aggression in Ukraine. In 2022, 518,566 vehicles were sold on the European market, 0.5% more than in 2021. Market share increased of one percentage point to 4.6%.

Within a few years, Hyundai managed to move to the position of a manufacturer that puts emphasis on image, quality, modern design, innovation and new technologies in conjunction with sustainable development. The brand emphasises the fact that for European customers, design is the most important criterion when buying a car. For this reason, its development and design centre in Rüsselsheim, Germany, regularly analyses current fashion trends to make sure that every model of the brand meets the wishes and needs of European customers; the latest models confirm this tendency. Hyundai is proud of its position as a global leader in the research and development in of alternative fuel vehicles. One of the hot candidates to replace internal combustion engines is undoubtedly the battery electric vehicle. Production of electric vehicles began in Nošovice with a low-profile mild hybrid back in 2018. However, full-scale electromobility took off in 2020, when mass production of the Kona Electric was launched. In 2021, production of a plug-in hybrid version of the new Tucson began, completing the last missing link in the EV portfolio. Today, everything ranging from the mild hybrid to the conventional hybrid and plug-in hybrid, to the fully electric Kona Electric is produced in Nošovice.

HMMC focuses principally on producing cars that are exported to 75 different countries worldwide and transmissions. The plant represents the only production plant within the EU.

In order to provide the highest quality, Hyundai also uses a centre in Nürburgring, Germany, to test new models. The car tests there simulate the car life cycle within a four- to six-week cycle.

The Company has no organisational branches or other parts of the business abroad and HMMC’s share capital amounts to CZK 13,901,000,000.

The Plant's Area	200 ha
Built Up Area	28.3 ha
Total Investment	EUR 1.86 billion
Number of Employees	3,278 (including agency employees)
Share of Czech Citizens	92%
Male / female Ratio	83.7% / 16.3%
Production Capacity	350,000 cars per year

Company Vision



Hyundai Motor Company is committed to becoming a lifetime partner in automobiles for millions of customers worldwide. It strives to provide them with the world's top quality automobile products and services. Nowadays, the passenger car represents an individual's lifestyle and has become an inseparable part of their life.

In addition, HMMC is also a stable and prosperous employer and a motor of the economy not only in the region but also in the whole Czech Republic. For that reason, the corporate vision of Hyundai Motor Manufacturing Czech is **“HMMC - the Right Partner for Your Future”**.

The fact that the future is important for us is demonstrated by the development of the production portfolio. Our production plant will do everything to help meet the Hyundai Motor Group's commitment to offering exclusively zero-emission vehicles in Europe by 2035. Almost 40% of our cars have a hybrid or electric motor. We also cooperate on the Hyundai brand's commitment to achieving carbon neutrality by 2045. We source electricity exclusively from renewable sources and are working on major energy-saving projects. At the paint shop, solvents from the plant are recycled (75% of the solvents are returned to the process), and 95% of the materials used for car production are recyclable. Of the total HMMC waste, 88% is recycled. We use materials with low VOC content and we **are** the only car company in the Czech Republic **to hold the EMAS certification**.



Company Management

as of 31 December 2022



Cheolseung Baek
President

Mr Baek joined the Hyundai Motor Company in 1992. In his career, he has specialised mainly in the procurement and development of parts. From 2005 to 2008, he worked for the procurement division in Shanghai, China. He also gained invaluable experience when working for the strategic procurement division in Korea from 2015 to 2018. In 2018, he was appointed head of the procurement division at HMMC and in January 2021, he was appointed president of the Company.



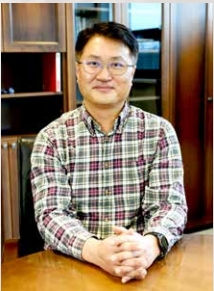
Hyun Ha Shin
Head of the Finance Division

Previously employed at Mobis, Mr Shin joined HMC in 2000 and his responsibilities included mainly finance. From 2005, he worked at HMUK, returning to the Korean headquarters in 2010. In 2017, he became the head of the international finance team. Since January 2020, he has been acting as the head of the finance division at HMMC.



Changki Lee
Head of the Production Division

Mr Lee joined Hyundai Motor in 1994. He started his career as an engineer in a team dedicated to car production design. Between 1996 and 1998, he worked at the Hyundai plant in India. Between the years 2007 and 2011, he was posted in China. In 2016, he was appointed head of the car engineering production department in Ulsan, Korea. Until the end of 2018, he also oversaw other plants in China and the USA. In January 2019, he joined HMMC as the vice-president of the production division.



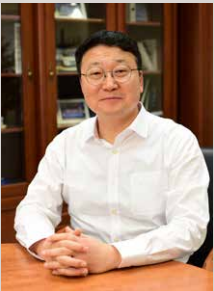
Jong Bum Kim
Head of the Procurement Division

Mr Kim has worked at Hyundai Motor since 1997. During his career, he has focused primarily on procurement, parts development and procurement strategy. Between 2008 and 2012, he worked as a coordinator of the parts development department at Hyundai Assan Otomotiv Sanayi in Turkey. In 2015, he returned to the headquarters in Korea where he worked till 2018 as the head of the purchase team. In January 2022, he was subsequently appointed head of the procurement division at HMMC.



Sangchul Lee
Head of the Administration Division

Mr Lee has worked for Hyundai Motor since 2004. Between 2004 and 2014, he worked at the Hyundai plant in Ulsan where he was primarily involved in human resources. Prior to joining HMMC, Mr Lee worked in the Corporate Human Resource Division, which covers the entire HR policy of the Hyundai Motor Group. In June 2021, he joined HMMC as Head of the Administration Division.



Seokbeom Kim
Head of the Quality Division

Mr Kim has worked at Hyundai Motor since 1993. He spent 18 years working as a quality assurance expert and went on to become a founding member of the Hyundai plant in Brazil, where he worked as quality assurance director from 2011 to 2015. Prior to joining HMMC, he had been in charge of quality control electronic systems. He started working at HMMC in December 2017.

History



2006	June	Foundation of HMMC
2007	March	Start of construction
2008	November	Mass production launched
2009	November	International Certificate ISO 9001 received
2010	November	The 300,000 th car produced
2011	September	The 500,000 th car produced
	November	“Excellence” Award under the Czech National Quality Award
2012	December	i30 among the finalists for the European Car of the Year (COTY) Award for 2013
2013	May	The 1,000,000 th car produced
2014	November	“Excellence” Award under the Czech National Quality Award
2016	June	The 2,000,000 th car produced
2017	November	“Excellence” Award under the Czech National Quality Award
2018	June	Production of the first mild hybrid vehicle launched
	December	The 4,000,000 th transmission produced
2019	May	The 3,000,000 th car produced
	October	The 1,000,000 th Tucson produced
2020	March	Production launch of the Kona Electric model
	November	“Excellence” Award under the Czech National Quality
2021	December	Termination of the Transmission Plant II and start of the reconstruction for the battery production
2022	November	The 4,000,000 th car produced
		The 5,000,000 th transmission produced
	December	Launch of battery production in the former Transmission Plant II

Products

Hyundai Tucson (4 th generation)	since October 2020
Hyundai Kona Electric	since March 2020
Hyundai i30 fastback N	since November 2018
Hyundai i30 fastback (3 rd generation)	since November 2017
Hyundai i30 N	since September 2017
Hyundai i30 wagon (3 rd generation)	since May 2017
Hyundai i30 hatchback (3 rd generation)	since December 2016



i30

The Hyundai i30 was created as a new people's car. Currently, the third generation of this model is being produced at the Hyundai Motor Manufacturing Czech plant in Nošovice in three body styles - hatchback, wagon and fastback.

Standard and N Line models are offered in all three body styles. The N Line version differs from the standard models with a more aggressive appearance and specific N Sport trim elements that optimise design and performance.

From 2017, the i30 N sports versions in hatchback and fastback versions are also rolling off the production lines. It offers more powerful engine options, sportier equipment and car settings, 19-inch alloy wheels or larger brake discs compared to the standard versions. In 2022, our plant also produced 800 units of the second limited edition of this sporty model, this time called i30 N Drive-N.

Albert Bierman was behind the creation of the N sports division, which was introduced in 2012. He continues to work with the carmaker as a senior technical advisor with an office in Europe. The very letter in the name refers to the research and development centres in Namyang, South Korea, and the Nürburgring in Germany, where N models undergo thousands of test kilometres. The shape of the letter N symbolises racing chicane.

Tucson

In 2020, we launched production of a new fourth generation of the Tucson model. The new generation is a pioneer in the area of progressive design. It offers a state-of-the-art intelligent technology with the widest range of electrified motorisation in its segment. It also became the first hybrid power vehicle in our production programme. The offer on power units thus includes classic combustion motors, motors with support of 48V electric power (Mild hybrid), fully hybrid vehicle as well as a plug-in hybrid vehicle (with the possibility to charge the vehicle from a socket, not just by recuperation while driving).

The Bluelink® Connected Car Services bring trouble-free connectivity with online voice recognition and a wide range of features such as remote door unlocking, remote route planning, last-mile navigation, vehicle location, remote diagnostics, trip reporting and more.

For the first time, Tucson Hybrid model is equipped with Highway Driving Assist (HDA). This feature is a combination of lane-keeping assistant and intelligent cruise control based on navigation, using sensors and map data to ensure safe traffic flow, as well as automatic speed adjusting for upcoming highway turns or speed limit detection. A special button on the steering wheel allows the driver to activate HAD with just one click.

The Tucson model is the flagship of our car factory – it makes more than 72% of all cars produced.

Kona Electric

In 2020, the production programme of the Kona Electric model was expanded. Kona Electric is a car for people who are not afraid of attention – the bold and fresh design turns the heads of all passers-by.

Not only does it look great; it also offers mileage on one charge of up to 484 kilometres, clearly showing that electric cars can fully replace vehicles with combustion engines.

Since its premiere, the smaller SUV with a powerful electric drive, long mileage and an elegant design has received many prestigious awards. The electric motor was ranked among the ten best engines in the Ward'sAuto 10 Best Engine Award 2019. In addition, Kona Electric also received the title of "Affordable Electric Car of the Year" in the Auto Express New Car Awards 2018.

In late 2020, Kona Electric went through a facelift and now offers an even cleaner design.

Products

Awards received 2022



Model Tucson:

Best Family SUV for Practicality
What Car Awards

The What Car, United Kingdom

Best Import Cars of the Year
„Medium SUV” category

Auto Bild, Germany

TOP 10 World Car of the year 2022

Best Family Car

Top Gear, TV show, United Kingdom



Model Kona Electric:

Best Zero Emission Car Under £40,000
Fleet News Awards

United Kingdom



Production Process



HMMC

in 2022

Production

The year 2022 was very demanding, full of expectations and challenges not only for HMMC. Global production was heavily affected by semiconductor shortages as well as the sudden conflict in Ukraine, which caused, among other things, shortages of certain raw materials. All this was compounded in part by the ongoing Covid-19 pandemic and the associated transport and logistics problems - delayed deliveries or insufficient production capacity.

In spite of all the above circumstances, thanks to the enormous efforts and will of the employees, the annual production plan was not only met but exceeded by 1000 cars produced.

In 2022, HMMC produced a total of 322,500 cars, which is 17% more than in 2021.
2022 HMMC Production plan: 321,500 cars
2022 HMMC Production result: **322,500 cars**

The total volume of produced cars in 2022 consists of individual models as follows:

Tucson	142,533	44%
Tucson HEV	55,143	17%
Tucson PHEV	33,177	11%
i30	55,288	17%
I30 N	6,486	2%
Kona EV	29,873	9%
TOTAL	322,500	100%



By power unit: gas 82%, diesel 9%, Electric cars 9%
2Tone cars: 13,646 cars

Aside from passenger cars, HMMC also produces two types of 6-gear manual transmissions, which are used not only in cars produced by HMMC, but also exported to fellow subsidiary plants in Turkey and Slovakia.

In total, 217,627 transmissions were produced last year, which is 10% above the production plan.

Purchase of manufactured gearboxes according to individual plants:

HMMC	34%
KIA SK	57%
HAOS (Turkey)	8%
other	1%

Sale

Cars manufactured in the HMMC plant were exported to 75 different countries, literally "from Silesia to the end of the world". Most cars were traditionally sold to Germany (43,241), United Kingdom (33,451) and Spain (28,850). 14,803 cars were sold to the Czech Republic, which is approximately 5% of total production. The "end of the world" is represented by French overseas territories, such as the archipelago of New Caledonia in the Pacific Ocean, French Guyana in South America or the islands of Martinique and Guadeloupe in the Caribbean, which are, however, the destination of a relatively small amount of cars.

Since HMMC in Nošovice is the only Hyundai production plant in Europe and the EU, its primary markets are the countries of Europe – absolutely all of them, from Iceland to Norway, the entire European Union and the Balkans, all the way to Cyprus and Malta in the Mediterranean. The Hyundai Tucson model is also very popular in the Middle East, and its important customers therefore include countries such as Egypt, Saudi Arabia and Kuwait. The farthest markets of the Nošovice plant include Australia, Mexico and Ecuador.

Top 10 countries		Number of pieces
1	Germany	43,241
2	United Kingdom	33,451
3	Spain	28,850
4	France	24,419
5	Poland	18,479
6	Italy	15,492
7	Czech Republic	14,803
8	Saudi Arabia	14,553
9	Mexico	9,222
10	Turkey	8,792
	Other	110,293
TOTAL		321,595



Employees



As of 31 December 2022, the total number of employees (including agency employees) amounted to 3,278. It still remains true that the HMMC Nošovice plant provides work opportunities for the citizens of the Czech Republic and namely for those living in the Moravian-Silesian Region, as they represent 92% of all HMMC employees.

247 employees (7.5%) out of the total 3,278 are foreign nationals. They are mostly from Slovakia or Poland, which does not come as a surprise considering how close the borders of both of those countries are.

Collective Agreement

The collective agreement was concluded in 2021 with effect for 4 years, i.e. from 1 January 2021 to 31 March 2025 (the salary component with a two-year validity till 31 March 2023).

Work Safety

One of the principal priorities of HMMC is work safety impacting the entire Company's hierarchy, starting from the involvement of the top management to the positions of individual operators. In addition, the Company carefully follows the latest trends that it may implement in a meaningful way.

Of the implemented activities, the following are particularly worth mentioning:

- Successful recertification in the Safe Enterprise programme;
- Improvement of conditions for work at heights by the partial installation of anchoring systems and anchor points;
- Introduction of additional training in the form of virtual reality;
- Increase in the effectiveness of the process of mutual transfer of risks between HMMC and individual suppliers of work in an electronic form;
- Testing of new possibilities in ergonomics – exoskeletons;
- Enhancement of comfort for working while standing through the installation of a significant number of ergonomic mats and anti-slip solutions in individual production workplaces;
- Massive investments focusing on a large group of employees working in supporting and administrative back offices in the form of ongoing changes in working premises and their equipment (offices, training rooms, relaxation areas, etc.), including relaxation areas for the employees directly in the production halls;
- Installation of new software tools to simplify safety records, e.g. Electronic Book of Injuries and Near Misses, records of dates of safety training, etc.; and
- Ongoing changes and search for new alternatives for providing suitable personal protective equipment.



Besides the above-mentioned activities, many partial technical and organisational measures were implemented on an ongoing basis to improve the working conditions, working environment and risk factor elimination.

Activities throughout the year were focused on continuously strengthening awareness of occupational safety, fire protection, occupational hygiene and ergonomics in order to reduce the occurrence of occupational accidents or diseases. A number of prevention activities were also linked to the use of the Medical Centre (Lékařské centrum) and Health Centre (Centrum zdraví). One of the long-term preventive tools for reducing occupational accidents has also been the application of an „accident-free“ incentive system, whereby, following the group achievement of certain milestones for the number of accident-free days by production departments, the Company subsequently rewards the achievement of these milestones with a suitable incentive gift.

In the coming years, HMMC will continue to apply a systemic approach within the cycle of continuous improvement and strengthening of the level of occupational health and safety according to the established occupational health and safety management systems in accordance with the implemented Safe Enterprise programme and the ISO 45 001 standard.

In 2022, we additionally started a new activity, Internal Ergonomics Audits. Workplaces where occupational diseases were investigated are audited by an internal ergonomist. The objective is to design and subsequently, working together with process engineers, apply such modifications to the line that will result in better workplace ergonomics and thus also to greater protection of the health of our employees.

Measurements of risk factors by accredited laboratories continue to be carried out in order to recategorise those workplaces where working conditions have changed (in 2022, measurements took place primarily in the Pressing Plant and the Transmission Plant).

It is not only thanks to these activities that we are the holder of the Health Promoting Enterprise III award.

Training

After two years when we had to curtail many educational activities due to the coronavirus pandemic, we were able to return to all forms of courses in 2022. On

the other hand, it can already be said that the pandemic has allowed us to accelerate the availability of online courses and the proportion of online learning. And while we have returned to a face-to-face format with personal attendance of employees, we already know that online training is often effective, fast, and more affordable for employees. Going forward, both formats will work together and complement each other.

Last year was a record-breaking one with 936 new employees trained in entry-level training (an increase of 130% due to the planned increase in the production capacity in the first half of the year).



1,084 employees completed the statutory certification courses that enhanced their professional qualifications, such as the certification for working on high voltage electrical equipment, working with cranes, forklifts and high lift platforms. In 2022, we also put a great emphasis on educating employees about OHS matters – these training courses were attended by 1,235 employees.

Almost 200 students including our Korean colleagues actively participated in regular development of their English language skills in an online form.

Last year, we were already able to focus more intensively on the internal development of soft skills; the training was attended by 80 employees and another 71 got involved in the development of computer skills. 544 employees took part in improving their qualifications through the form of professional development, spending almost 6,500 hours on it, whether by attending external courses, conferences, workshops or online webinars.

A much better epidemiologic situation additionally allowed us to send a group of 30 employees to Korea for the Motivational Programme during which the attendants got to know the headquarters of the Company and individual production plants and personally explore the Korean culture. At the end of the year, we also held 2 new model production training sessions at our Korean R&D centre, for which we sent 91 colleagues. Each group was trained there for 14 days.

In total, we invested almost CZK 17 million in employee development last year.

Health Centre

- Preventive rehabilitation (during the working hours, length and type according to the workplace, always once in a year and a half)
- Medical rehabilitation (outside the working hours, including the option of a check-up by a rehabilitation doctor) – introduction of a new

type of medical rehabilitation „Stabilisation and Mobilisation System“ for employees with back and major joint pain

- Fitness (organised sessions – yoga, core training, fitness boxing, etc; individual sessions) – new equipment and flooring
- Nutrition counselling

Months of Health

- Twice a year, always focused on a certain topic, everything free of charge
- 5/2022 "Mental health" – workshops with a psychologist, ultrasound examination of the abdominal cavity by a gastroenterologist, lessons of traditional Chinese medicine and yin yoga
- 10/2022 "Healthy hands" – an indicative EMG examination, physiotherapy in the halls, examination by a physiotherapist, hand massage

Medical centre

- A doctor and a nurse available from Monday 6 a.m. to Saturday 6 a.m. 24/7
- Regular specialist examinations on Thursdays and Fridays (EMG, audio, plethysmography)
- Flu vaccination (partially paid by HMMC)
- Vaccination against tick-borne encephalitis
- Company psychologist (coaching, counselling, etc.)

COVID-19

- until 18 February 2022, mandatory antigen testing of employees – free testing even if the limit of the number of tests per individual is exhausted, ongoing anti-epidemic measures (disinfection, barrier measures in canteens...), distribution of mouth protective aids (surgical face masks, nano face masks, respirators)
- preventive antigen self-tests available free of charge for all employees – possibility to use when symptoms appear
- records of positively tested employees on a weekly basis
- vaccination of employees + financial contribution as a compensation for increased costs of transportation and time



Environment



Our endeavours are supported by the Company's integrated policy and a subsequent functional environmental management system certified under ISO 14001:2015.

In order to support a continuous improvement of the impact of the Company's activities on the environment, HMMC has also introduced the EMAS system, under Regulation (EC) No. 1221/2009 of the European Parliament and of the Council.

In 2022, recertification audits were carried out in respect of the two systems (EMAS, ISO 14001:2015). The external auditors found no discrepancies during the audits.

HMMC is one of the most dynamic companies in the Czech Republic and is committed to the concept of sustainable development, based on a sustainable approach of people to the environment they live in. The Company dismisses the antiquated idea that economic interests are at odds with environmental protection.

2022 was again a year of innovations and continued transfer of mobility to a more environmentally friendly version which is evidenced by the fact that almost 40% of cars manufactured last year had a hybrid, plug-in hybrid or fully electrical drive. This year, we were already using 100% renewable electricity at HMMC, in line with our plans to be carbon neutral by 2045.

Any Company's stability is reflected not only in the economic results but also in the Company's socially responsible attitude. HMMC substantiates such an approach by an environmentally friendly attitude and high work safety standards, as it believes that the environment has irretrievable value to civil society that must be preserved for future generations.

HMMC strives to implement, to the highest possible level, technologies and procedures that are environmentally friendly. This results in a gradual transition from a linear operation of the system to a circular one, and efforts to achieve the highest possible level of recovery of waste and raw material across all components of the environment. In the production plant, all hygiene standards are strictly observed; on all HMMC premises, green vegetation is protected in compliance with the Company's values.

The Company's everyday life is governed by the applicable legal regulations, internal Company regulations and our clients' requirements. As part of our constant effort to add to our care for the environment and the reduction of the negative impacts of production, we aim to increase our employees' understanding of the importance of the environment, as a prerequisite for the future development of society.

It is also worth mentioning the other adjustments and investments that led to improvements of the environment in 2022:

- Change in colours of waste bins for an easier orientation in waste sorting.
- 75 black pines planted in the HMMC compound.
- In the Pressing Plant, a new washing equipment for pressing lines was installed, which will save 8,000 litres of oil consumption.
- Smart management of energy consumption through the EcoSmart VEC application in the Paint Shop has reduced electricity consumption by 30 MWh and gas consumption by 1287 MWh on the PRIMER furnace.

A botanical survey recorded 124 types of plants in 2022. This is the highest number of species ever recorded by monitoring at the plant site. Specifically, there are 34 bryophytes, 2 horsetails, 1 fern representative and 87 species of seed plants. This is an above average number given the type of environment that is heavily influenced by humans. An interesting feature is the long-term occurrence of population of epiphytic bryophytes and lichens on the barks of the broad-leaved trees and shrubs. These plants are important bio-indicators of air pollution and their direct presence on the Company's premises indicates a very good level of air quality.



Quality



We entered 2022 with a plan to stabilise production after the COVID pandemic and prepare new projects that will await us in the future. However, in light of the chip crisis, we faced additional challenges in terms of strengthening collaboration and creativity to be able to apply new ways of manufacturing and controlling vehicles. The instability of production, the shortage of chips and the associated acceleration of development changes have forced us to adapt and improve our established verification procedures in a way that does not affect the final quality of the vehicle and the delivery dates to customers. And while this initially seemed like an impossible goal, thanks to the cooperation of all departments, we were able to meet and exceed our production schedule.

The year 2022 was not just about the instability of the production schedule. Despite all the complications, we had to continue to develop new projects and increase our knowledge and competence. We continued to update our working procedures and methods to meet the ever-increasing expectations of our customers. We have focused on understanding the new features and technologies that come with the electrification of vehicles, as well as the younger generation of customers, in order to correctly understand their expectations.

Through the “paperless” project, we have continued to digitise and automate our processes to improve sustainability. We continue to enhance the working environment and promote „open mind“ thinking. In October, there was a change in leadership at the sub-division level (between production and quality) so that we can work more effectively together to meet our goals and customer expectations.

The International ISO 9001 Standard

HMMC has had a certified quality management system since 2009 in line with the ISO 9001 standard. The compliance of the quality management system with the standard requirements is verified by a certification audit in three-year cycles. In 2021, we successfully passed the fifth certification audit and were certified for another 3-year cycle. The audit was carried out by TÜV Nord together with the environmental management system (ISO 14 001) and OHS system (ISO 45 001). In August 2022, the first surveillance audit was performed, which confirmed that the established management systems are functional and fully comply with the requirements of the above ISO standards, laws and internal guidelines.

The quality management of the organisation is based on proactive and coordinated activities with respect to risks, their identification, analysis and evaluation. The Company has introduced an efficient and systematic approach not only in the area of quality man-

agement, but in all other management areas with the aim of eliminating possible risks and minimising negative impacts on the Company.

HMMC continuously develops management approaches and efficiently implements them in its management system in line with corporate management principles under the EFQM model (European Foundation for Quality Management). Since 2011, we have been participating in the EFQM National Quality Awards every three years and the victory of this prize in 2011, 2014, 2017 and 2020 is proof of the level of advancement of our organisation. This award is a confirmation of our high-quality work and sustainable performance meeting and exceeding the expectations of all stakeholders. In autumn 2022, preparatory works started for the participation in the National Quality Award in 2023.

Vehicle Homologation and Production Conformity

All our products have to meet the stringent international legal requirements on vehicles – so called type approvals (homologations) that primarily focus on various systems in the vehicle having an effect on safety and ecology of operation, including individual parts which affect these systems. These requirements are supervised and tested by independent approval bodies prior to launching mass production of a new model and prior to each change in the production process. The conformity of our production process (COP) with the approved type is also regularly audited by these testing authorities. In our case, these organisations are the Vehicle Certification Agency (VCA) and the Swedish Transport Agency (STA).

The most important legislative requirements on COP include measuring emissions of the cars produced. We regularly measure the emissions of all cars produced by us and their motors, including hybrids, plug-in hybrids and electric cars in the Emission Laboratory as part of the COP. The measurements are carried out both in the laboratory – Type 1 testing of the Chassis Dynamo according to the WLTC (World Light Duty Test Circle), and in real-life operation, i.e. Real Drive Emission measurement.

Awards Received



Not only our cars but also the Company itself competes for awards every year in various areas of our activities. Every such award confirms that we do our job well and motivates us to seek ways to make our work even better.

List of awards received in 2022:

Sodexo Employer of 2022

Employer of the Decade award in the category of companies with up to 5,000 employees

Sodexo Employer of 2022

2nd place in the category of companies with up to 5,000 employees in the Czech Republic

Sodexo Employer of 2022

1st place in the category of companies with up to 5,000 employees in the Moravian-Silesian Region

Company of the year in the automotive industry

TOP 3 in the category of companies with more than 250 employees

The Business for the Society (Byznys pro společnost) platform included HMMC in **25 TOP responsible large companies in the Czech Republic**

National award for corporate social responsibility

3rd place in the Business category, the highest Socially Responsible Organization III award



Social Responsibility



Our company is committed to social responsibility and a sustainable approach to business. That is why we were ranked among the top 25 most socially responsible companies in the Czech Republic in 2022 and received the **TOP Responsible Large Company Award for 2022**. In addition to this award, we received the **National Award for Social Responsibility**. The Ministry of Industry and Trade together with the Czech Board of Quality announced the 21st annual National Awards of the Czech Republic, in which we ranked 3rd in the Business category and received the highest award of the Socially Responsible Organization III.

We value our employees and create good and safe work conditions and interesting benefits for them, and we all participate in numerous environmental, volunteering and charity projects.

The Good Neighbour and Good Neighbour Together Grant Programme

Since 2012, our company has been organising the “Good Neighbour” grant programme, which supports interesting cultural or sports projects and takes part in the social life of the thirteen municipalities in the vicinity of our plant. In 2022, we supported, for example, the activities of the voluntary firefighters association in Pazderna and the municipality day in Vojkovice.

Part of the Good Neighbour is the Good Neighbour Together sub-programme in which municipalities may obtain a contribution for the support of projects focusing on environmental protection. In 2022, the support was obtained by the Nošovice and Nižní Lhoty municipalities, which used the contribution for the planting of new trees and bushes. In addition to the residents of the specific municipality, our employees take part in the implementation of winning projects in voluntary environmentally friendly days.

The total amount of the support for 2022 in the Good Neighbour and its Good Neighbour Together sub-programme amounted to CZK 700,000.



The “Together” and “Dream Together” Grant Programme

The “Together” grant programme provides support for projects in the area of culture or sport and does not forget about children or the disabled. During the seventh year of this programme, we supported 45 projects with an aggregate amount of CZK 810,417.

The “Dream Together” grant programme is intended to financially support talented pupils or students with the aim to help them carry out their plans in art, design, science or technology. We supported four promising student projects in music and literature with the amount of CZK 100,000.

Hyundai Foundation

The main objective of the Foundation is to promote the development of civil society and to participate in public affairs. It fulfils these goals by financially supporting community and environmental events in the Moravian-Silesian Region. In 2022, 12 projects received assistance and distributed the sum of CZK 1,617,192.

Hydrogen Horizon Automotive Challenge 2022

Hyundai is a pioneer in the use of hydrogen power in the car industry. So naturally, we partnered with the hydrogen car model race, which featured 20 competing teams. The aim of the programme is to encourage greater interest among young people in technical and scientific fields. In 2022, total support for the programme amounted to CZK 480,000.



Company volunteering

In 2022, we continued our commitment to volunteering and organised several volunteering events in which our employees could take part. As part of the international volunteering Give&Gain day, we visited the Ostrava ZOO. Together with our partner ČSOP Salamandr, we organised three volunteering days intended to help the nature in the Beskydy mountains. As part of the Good Neighbour Together grant programme, we took part in the neighbourhood environmental protection day in Nižní Lhoty. In total, we donated 278 hours of voluntary work in 2022. On top of that, we gave a small gift to all our volunteers at the end of the year on the occasion of the International Day of Volunteers.

Good partner of both the nature and society

Environmental protection is important to us. To celebrate the Earth Day, we created a blooming butterfly meadow with the area exceeding 1,000 m2 in the Company's compound following a consultation with experts. Additionally, we prepared educational campaigns for our employees on nature protection. We also joined the "Hour of the Earth" event and both „Let's Clean up the Czech Republic“ events and pro-

vided all the volunteers from among our employees with protective equipment.

After the start of the conflict in Ukraine, we provided material aid of CZK 2,000,000 to people in need. We also enabled our employees to help in assistance centres for refugees or material aid warehouses as part of corporate volunteering. We further supported our aid by lending two i30 cars free of charge to local aid coordinators from ADRA Frýdek-Místek and ADRA Havířov.

As part of our promotion of sport and healthy lifestyle, we organised the "Around the World with Hyundai" event. The event had a charitable overlap, so we supported little Amálka, a prematurely born girl from a family of one of our employees, with an amount of CZK 30,000 to help with her considerable health complications. In addition, we organised an employee fundraising event to support Amálka's physiotherapy sessions, in which we collected CZK 63,087.

Working together with Charita Frýdek-Místek, we made a series of videos on the issue of debt and debt counselling. The charity uses these videos to raise awareness and educate its clients and the general public.

Strong partnerships in the region

In 2022, we further developed our strategic and long-term partnerships with ČSOP Salamandr and Akademie FC Baník Ostrava, with whom we organised the second year of the U9 Hyundai Cup tournament, which was again attended by the children of our employee under the supervision of coaches.

We have now put ourselves on the map of Technotrasa, a project that offers exceptional experiences, reminders of the distinctive technical maturity and craftsmanship of northern Moravia and Silesia. In 2022, we joined forces with Dolní Vítkovice. Thanks to this partnership, the educational programme „The Future of Electromobility“ has been created in the Great World of Technology for primary and secondary schools.

We supported the development of electromobility in the region by a pilot project entitled "Together for Electromobility" in which we rent the KONA Electric vehicle free of charge to municipalities, towns and organisations operating in our region. In 2022, the statutory town of Třinec used the electric car.

Hyundai Angel of Wishes Fulfilled

Our employees are known for their solidarity with the less fortunate. In the Advent season 2022, we organised the third year of the "Angel of wishes fulfilled" charity event. Our employees across the entire company had the opportunity to participate in a fundraiser collection of gifts. The gifts were then sent to children from socially disadvantaged families helped by ADRA Havířov, elderly people from retirement home in Komorní Lhotka and abandoned animals who are taken care of in the Čtyřlístek pro hafany association.

For the second time already, our employees enjoyed the pre-Christmas time at the charity Advent market, where non-profit organizations and sheltered workshops from the vicinity of our company offered their goods. All proceeds from the sales will be used to support their services for people with mental or psychiatric illness, the elderly and the differently abled.



We are members of significant industry associations

The topic of sustainability and social responsibility is very important for us. For this reason, we have been members of significant industry associations for several years, such as **Business for Society (Byznys pro společnost)** and **Association of Social Responsibility (Asociace společenské odpovědnosti)**, which is one of the pioneers in introducing Sustainable Development Goals in the Czech Republic. Thanks to the sharing of practice, education and networking in these organisations, we are moving forward as a company in the field of CSR and sustainability every year and thus becoming an inspiring example for other companies.

We are also a signatory to the Diversity Charter, which commits us to developing a tolerant and supportive work environment. We also support the „We are Fair“ initiative, which seeks full equality for LGBT+ people in the Czech Republic.

Hyundai Aid Fund

Caring for our employees is our top priority. For this reason, the Hyundai Aid Fund was founded to help employees who find themselves in a difficult life situation. In the Aid Fund, we offer the possibility of opening an employee fundraiser. In 2022, we dealt with one case in which assistance was provided in kind (by lending a vehicle free of charge).

Goals and Forecasts

for 2023



The year 2023 will also be negatively affected by the lingering effects of the COVID-19 pandemic and the Russian aggression in Ukraine. It is not clear as of the date of the preparation of this annual report how significant the impact will be. We expect that the situation on the semiconductor component market will improve only slowly. However, we are confident that we will be able to deal with these problems and we are planning a slight increase in production, specifically to 328,500 cars.

In 2023, we will begin the renewal of all the models we produce. The Kona electric car will be a completely new generation, while the Tucson and i30 will get a facelift. Production of pure electric cars should double with the new generation of Kona Electric.

We will continue to focus intensively on activities related to the transition to carbon neutrality. New energy-saving projects will be launched. We will also continue to improve our working environment, and this year, we will complete major refurbishments of our office premises.

No significant events occurred at HMMC subsequent to the balance sheet date, which would have an impact on meeting the purpose of the Annual Report. Other events are described in the Notes to the Financial Statements.



Financial statements

for the year ended 31 December 2022



Name of the Company:
Hyundai Motor Manufacturing Czech s.r.o.

Registered Office:
Hyundai 700/1, 739 51 Nižní Lhoty,
Průmyslová zóna Nošovice

Legal Status:
Limited Liability Company

Corporate ID:
277 73 035

Components of the Financial Statements:
Balance Sheet
Profit and Loss Account
Cash Flow Statement
Notes to the Financial Statements

These financial statements were prepared
on 6 February 2023.

Statutory executive of the reporting entity:

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes.

Changki Lee
Statutory Executive

Balance sheet

full version as of 31.12.2022 (in CZK thousand)

		31.12.2022			31.12.2021
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	112 407 913	31 243 052	81 164 861	82 486 364
B.	Fixed assets	43 530 030	30 920 668	12 609 362	14 431 701
<i>B.I.</i>	<i>Intangible fixed assets</i>	534 699	430 938	103 761	111 471
B.I.2.	Valuable rights	488 444	430 937	57 507	60 753
B.I.2.1.	Software	488 444	430 937	57 507	60 753
B.I.4.	Other intangible fixed assets	36 709	1	36 708	46 557
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	9 546		9 546	4 161
B.I.5.2.	Intangible fixed assets under construction	9 546		9 546	4 161
<i>B.II.</i>	<i>Tangible fixed assets</i>	42 995 331	30 489 730	12 505 601	13 982 134
B.II.1.	Land and structures	9 286 885	3 919 940	5 366 945	5 368 548
B.II.1.1.	Land	165 653		165 653	165 653
B.II.1.2.	Structures	9 121 232	3 919 940	5 201 292	5 202 895
B.II.2.	Tangible movable assets and sets of tangible movable assets	32 455 539	26 569 790	5 885 749	8 566 395
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	1 252 907		1 252 907	47 191
B.II.5.1.	Prepayments for tangible fixed assets	952 530		952 530	11 238
B.II.5.2.	Tangible fixed assets under construction	300 377		300 377	35 953
<i>B.III.</i>	<i>Non-current financial assets</i>				338 096
B.III.2.	Loans and borrowings - controlled or controlling entity				338 096
C.	Current assets	68 877 883	322 384	68 555 499	68 054 663
<i>C.I.</i>	<i>Inventories</i>	7 588 585	308 049	7 280 536	6 398 170
C.I.1.	Material	4 108 575	277 656	3 830 919	3 282 329
C.I.2.	Work in progress and semifinished goods	1 455 670	17 079	1 438 591	1 981 977
C.I.3.	Products and goods	1 243 560	13 314	1 230 246	828 138
C.I.3.1.	Products	1 243 560	13 314	1 230 246	828 138
C.I.5.	Prepayments for inventories	780 780		780 780	305 726
<i>C.II.</i>	<i>Receivables</i>	32 927 213	14 335	32 912 878	26 945 112
C.II.1.	Long-term receivables	1 300 916		1 300 916	1 348 061
C.II.1.4.	Deferred tax asset	1 300 916		1 300 916	1 348 061
<i>C.II.2.</i>	<i>Short-term receivables</i>	31 488 870	14 335	31 474 535	25 393 211
C.II.2.1.	Trade receivables	25 138 747	14 335	25 124 412	19 946 930
C.II.2.2.	Receivables - controlled or controlling entity	2 932 384		2 932 384	2 684 880

C.II.2.4.	Receivables - other	3 417 739	3 417 739	2 761 401
C.II.2.4.3.	State - tax receivables	3 250 059	3 250 059	2 667 734
C.II.2.4.4.	Short-term prepayments made	49 588	49 588	27 892
C.II.2.4.6.	Sundry receivables	118 092	118 092	65 775
<i>C.II.3.</i>	<i>Other assets</i>	137 427	137 427	203 840
C.II.3.1.	Deferred expenses	48 047	48 047	41 352
C.II.3.2.	Complex deferred expenses	59 471	59 471	130 247
C.II.3.3.	Accrued income	29 909	29 909	32 241
<i>C.IV.</i>	<i>Cash</i>	28 362 085	28 362 085	34 711 381
C.IV.1.	Cash on hand	4	4	64
C.IV.2.	Cash at bank	28 362 081	28 362 081	34 711 317

		31.12.2022	31.12.2021
	TOTAL LIABILITIES & EQUITY	81 164 861	82 486 364
A.	Equity	51 032 197	47 894 970
<i>A.I.</i>	<i>Share capital</i>	13 901 000	13 901 000
A.I.1.	Share capital	13 901 000	13 901 000
<i>A.IV.</i>	<i>Retained earnings (+/-)</i>	26 171 635	25 085 877
A.IV.1.	Accumulated profits or losses brought forward (+/-)	26 171 635	27 794 687
A.IV.2.	Other profit or loss from prior years (+/-)		-2 708 810
<i>A.V.</i>	<i>Profit or loss for the current period (+/-)</i>	10 959 562	8 908 093
B.+C.	Liabilities	30 132 664	34 591 394
B.	Reserves	9 041 034	9 725 294
B.IV.	Other reserves	9 041 034	9 725 294
C.	Payables	21 091 630	24 866 100
<i>C.I.</i>	<i>Long-term payables</i>	4 823 000	5 717 800
C.I.2.	Payables to credit institutions	4 823 000	5 717 800
<i>C.II.</i>	<i>Short-term payables</i>	16 172 497	19 118 377
C.II.2.	Payables to credit institutions	805 111	5 562 874
C.II.3.	Short-term prepayments received	432 430	558 184
C.II.4.	Trade payables	10 156 668	10 969 810
C.II.8.	Other payables	4 778 288	2 027 509
C.II.8.3.	Payables to employees	136 377	105 005
C.II.8.4.	Social security and health insurance payables	80 947	61 591
C.II.8.5.	State - tax payables and subsidies	1 013 238	984 138
C.II.8.6.	Estimated payables	3 542 182	867 160
C.II.8.7.	Sundry payables	5 544	9 615
<i>C.III.</i>	<i>Other liabilities</i>	96 133	29 923
C.III.2.	Deferred income	96 133	29 923

Profit and loss account

structured by the nature of expense method
year ended 31.12.2022 (in CZK thousand)

		Year ended 31.12.2022	Year ended 31.12.2021
I.	Sales of products and services	167 734 155	140 423 137
A.	Purchased consumables and services	146 216 828	120 242 117
A.2.	Consumed material and energy	134 489 142	114 114 478
A.3.	Services	11 727 686	6 127 639
B.	Change in internally produced inventory (+/-)	225 915	-961 792
D.	Staff costs	2 499 262	2 205 621
D.1.	Payroll costs	1 775 548	1 577 497
D.2.	Social security and health insurance costs and other charges	723 714	628 124
D.2.1.	Social security and health insurance costs	592 219	522 726
D.2.2.	Other charges	131 495	105 398
E.	Adjustments to values in operating activities	2 808 518	4 160 316
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	2 935 715	4 003 540
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	3 476 567	3 451 841
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	-540 852	551 699
E.2.	Adjustments to values of inventories	-142 635	156 776
E.3.	Adjustments to values of receivables	15 438	
III.	Other operating income	8 216 223	6 933 748
III.1.	Sales of fixed assets	61 360	47 821
III.2.	Sales of material	7 387 336	5 930 011
III.3.	Sundry operating income	767 527	955 916
F.	Other operating expenses	10 588 889	9 472 571
F.1.	Net book value of sold fixed assets	616 891	46 795
F.2.	Material sold	7 868 564	6 569 776
F.3.	Taxes and charges	15 782	20 330
F.4.	Reserves relating to operating activities and complex deferred expenses	-613 484	-117 731
F.5.	Sundry operating expenses	2 701 136	2 953 401
*	Operating profit or loss (+/-)	13 610 966	12 238 052
VI.	Interest income and similar income	566 984	222 459
VI.1.	Interest income and similar income - controlled or controlling entity	425 575	216 557
VI.2.	Other interest income and similar income	141 409	5 902
J.	Interest expenses and similar expenses	142 495	86 462
J.2.	Other interest expenses and similar expenses	142 495	86 462
VII.	Other financial income	4 058 447	3 363 499
K.	Other financial expenses	4 632 358	4 700 296
*	Financial profit or loss (+/-)	-149 422	-1 200 800
**	Profit or loss before tax (+/-)	13 461 544	11 037 252
L.	Income tax	2 501 982	2 129 159

L.1.	Due income tax	2 454 836	2 335 096
L.2.	Deferred income tax (+/-)	47 146	-205 937
**	Profit or loss net of tax (+/-)	10 959 562	8 908 093
***	Profit or loss for the current period (+/-)	10 959 562	8 908 093
*	Net turnover for the current period	180 575 809	150 942 843

Cash flow statement

year ended 31.12.2022 (in CZK thousand)

		Year ended 31.12.2022	Year ended 31.12.2021
P.	Opening balance of cash and cash equivalents	34 711 381	27 069 873
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	13 461 544	11 037 252
A.1.	Adjustments for non-cash transactions	3 136 043	3 483 599
A.1.1.	Depreciation of fixed assets	3 476 567	3 451 841
A.1.2.	Change in provisions and reserves	-1 281 533	590 744
A.1.3.	Profit/(loss) on the sale of fixed assets	555 531	-1 026
A.1.5.	Interest expense and interest income	-424 489	-135 997
A.1.6.	Adjustments for other non-cash transactions	809 967	-421 963
A.*	Net operating cash flow before changes in working capital	16 597 587	14 520 851
A.2.	Change in working capital	-5 268 724	-1 939 948
A.2.1.	Change in operating receivables and other assets	-5 828 587	5 212 595
A.2.2.	Change in operating payables and other liabilities	1 300 488	-4 945 290
A.2.3.	Change in inventories	-740 625	-2 207 253
A.**	Net cash flow from operations before tax	11 328 863	12 580 903
A.3.	Interest paid	-142 495	-86 462
A.4.	Interest received	593 273	221 272
A.5.	Income tax paid from ordinary operations	-2 421 012	-547 291
A.***	Net operating cash flows	9 358 629	12 168 422
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-1 671 762	-2 073 122
B.2.	Proceeds from fixed assets sold	61 360	47 821
B.***	Net investment cash flows	-1 610 402	-2 025 301
	Cash flow from financial activities		
C.1.	Change in payables from financing	-6 275 188	582 677
C.2.	Impact of changes in equity	-7 822 335	-3 084 290
C.2.6.	Profit shares paid	-7 822 335	-3 084 290
C.***	Net financial cash flows	-14 097 523	-2 501 613
F.	Net increase or decrease in cash and cash equivalents	-6 349 296	7 641 508
R.	Closing balance of cash and cash equivalents	28 362 085	34 711 381

Notes to the Financial Statements

For the Year Ended 31 December 2022
(in CZK thousand)



1. General Information and Principal Activities

Incorporation and Description of the Business

Hyundai Motor Manufacturing Czech s.r.o. (the “Company”) was formed on 7 July 2006. It was formed by Hyundai Motor Company, the Republic of Korea.

In 2008, the Company began the production of cars and transmissions, which constitute the Company’s key production programme. In 2022, the Company manufactured three models: Hyundai Tucson, Hyundai Kona Electric and the third-generation Hyundai i30, which is produced in three versions: five-door hatchback, wagon and fastback. The sports version of the five-door hatchback is manufactured under the name Hyundai i30 N and the sports version of the fastback under the name Hyundai i30 fastback N.

Owners of the Company

At 31 December, the Company’s owners are:
Hyundai Motor Company, the Republic of Korea

Ownership percentage as of 31 December 2022	100 %
Ownership percentage as of 31 December 2021	100 %

Registered Office

Hyundai Motor Manufacturing Czech s.r.o.
Průmyslová zóna Nošovice
Hyundai 700/1
739 51 Nižní Lhoty
Czech Republic

Corporate ID

277 73 035

Statutory executive and proxy as of 31 December 2022

Statutory executive	Cheolseung Baek
Proxy	Hyun Ha Shin, Sangchul Lee

The Company has not established a Supervisory Board.

The Company is part of the Hyundai Motor Company consolidation group with its registered office in Seoul, Seocho-Gu, Heolleung-ro 12, the Republic of Korea.



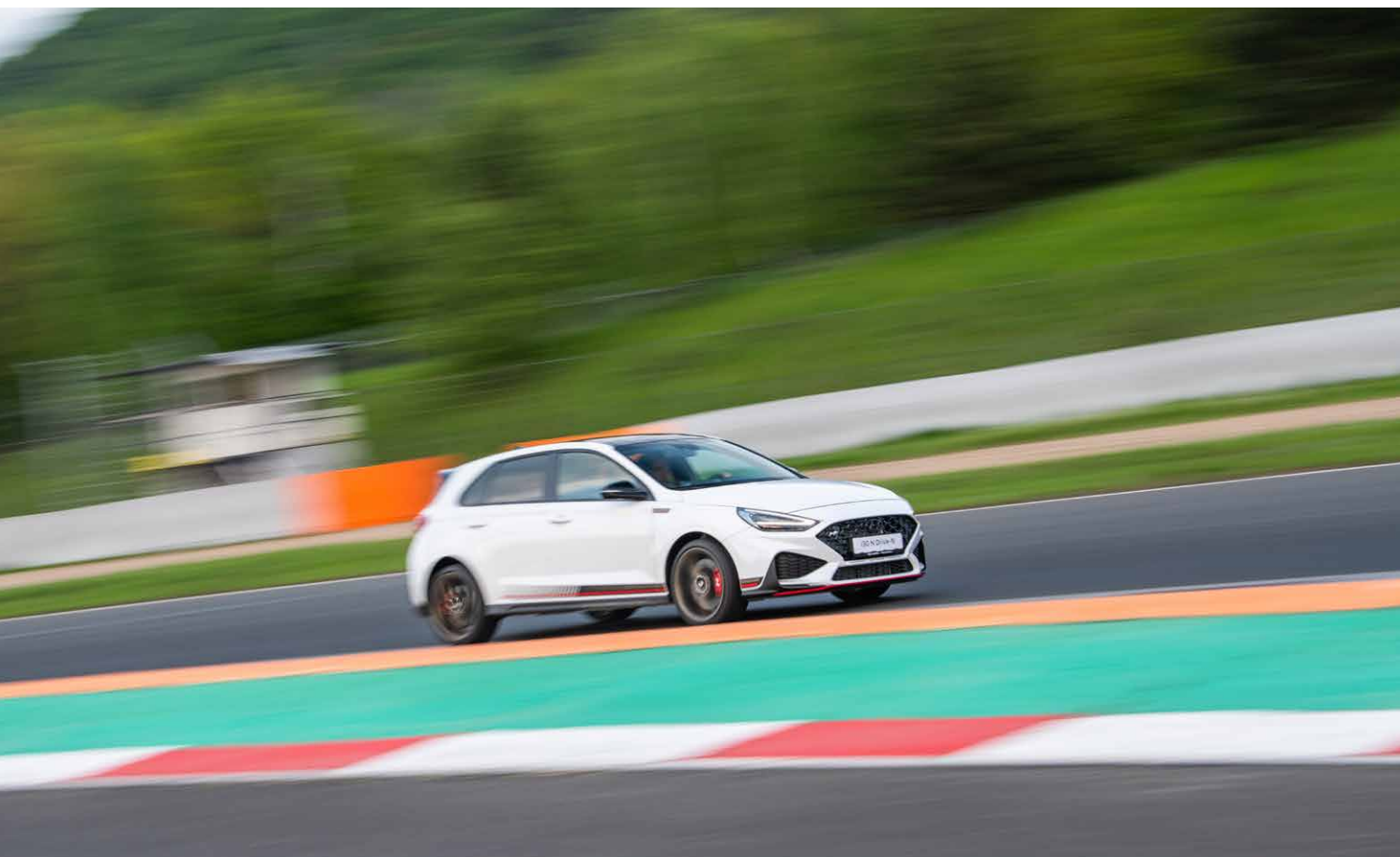
The following changes were made to the Register of Companies in the year ended 31 December 2022:

On 8 June 2022, a more accurate specification of the Company’s activities was recorded in the corporate details held in the Register of Companies.

Organisational Structure

The Company is organised into the following divisions:

- Finance – accounting and cost, treasury;
- Administration – information technologies, human resources, employee relations, general affairs, legal, public relations, facility management, environment and health & safety;
- Production – press shop, welding shop, paint shop, assembly, production of transmissions, maintenance, and production management;
- Quality – quality management, quality assurance;
- Sales support; and
- Procurement – parts procurement, procurement management, purchase.



2. Principal Accounting Policies Used by the Company

The Company's accounting books and records are maintained, and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, and Czech Accounting Standards for Businesses, as amended. The financial statements are general purpose financial statements and have not been prepared for any special purpose, transaction or user. Users should not rely exclusively on these financial statements in making decisions and should undertake other appropriate inquiries before making decisions.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

During the preparation of the financial statements as of 31 December 2022, the Company considered the impacts of COVID-19. The impacts are not material and do not impose a risk to the going concern assumption.

The company also considered the impact of the ongoing Russian aggression in Ukraine. Although management cannot reliably estimate future impacts at this time, as of the date of the financial statements the impacts are not material and do not threaten the Company's going concern.

These financial statements are presented in thousands of Czech crowns ('CZK').

a) Tangible and Intangible Fixed Assets

Tangible fixed assets include assets with an estimated useful life greater than one year. Tangible and intangible fixed assets are carried at cost. The limit for the inclusion in the tangible and intangible depreciated assets changed to CZK 20 thousand with effect from 1 January 2022. This does not apply to assets that the Company started to acquire before 1 January 2022 (the limit was CZK 10 thousand for these assets). This change will allow a more accurate presentation of assets in compliance with the Accounting Act. Tangible fixed assets at the acquisition cost of less than CZK 20 thousand and intangible fixed assets at the acquisition cost of less than CZK 20 thousand are not reported in the balance sheet and are expensed in the year of acquisition.

The valuation of internally produced fixed assets includes direct material, direct wages and other costs directly relating to the production until their capitalisation.

The following table shows the depreciation methods and periods by asset groups:

Assets	Method	Depreciation period
Residential buildings	Straight line	50 years
Industrial buildings	Straight line	30 years
Machinery and equipment	Straight line	15 years
Vehicles	Straight line	6 years
Moulds	Straight line	2 - 6 years
Moulds for Hyundai i30	Straight line	4 - 6 years
Moulds for Hyundai Kona	Straight line	4 years
Moulds for Hyundai Tucson	Straight line	5 years
Tools	Straight line	3 - 6 years
IT equipment	Straight line	6 years
Furniture	Straight line	6 years
Software	Straight line	5 years
Other intangible assets	Straight line	5 years

b) Inventory

Purchased inventory is stated at costs. The cost includes the purchase cost, customs duties, storage fees during transportation, transportation costs of delivery to the production area.

Internally developed inventory is valued at the cost of producing the inventory, which primarily consists of the direct costs of production or any other activity, and/or attributable indirect costs relating to production or any other activity. The direct costs include the cost of material and other consumables and other costs incurred in direct connection with the production or any other activity.

Inventory is issued out of stock using the costs determined by the weighted arithmetic average method.

Provisions against products are calculated as the sum of positive differences from the comparison of valuations of individual cars at the balance sheet

date and the valid selling price of these cars. Provisions against work in progress and semi-finished goods are determined using the extrapolation of the proportion of the provision against products and the aggregate value of products at the balance sheet date. The provision against production material with the movement rate exceeding one year is recognised in the amount of 100% of the value of this material. The provision against idle spare parts in the last two years is recognised as equal to 100% of the value of the inventory and 20% for the spare parts that have been idle for no less than one year.

c) Trade Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Provisions for receivables past their due dates are assessed for the relevant receivables on an individual basis.

Short-term receivables are ceded before their due dates. Under recourse factoring of receivables, ceded receivables are recorded on special analytical accounts and are subsequently settled against the received short-term loan. The costs of the recourse factoring of receivables are deferred until the maturity date of these receivables. Under non-recourse factoring, receivables are reversed through other operating expenses and at the same time a receivable from the factor is recognised with a corresponding entry for the income from the cession of these receivables (other operating income).

The Company charges its customers interest on business loans. These receivables are recorded on an accruals basis together with the interest income and deferred income.

d) Trade Payables

Trade payables are stated at their nominal value.



e) Recognition of Reserves

The Company creates a reserve for outstanding vacation days and a reserve for warranty repairs.

The reserve for outstanding vacation days as of the balance sheet date is recognised on the basis of an analysis of outstanding vacation days per year and the average payroll costs including social security and health insurance by individual employees.

The reserve for warranty repairs is recognised by setting aside a lump-sum charge per each sold car. The amount of the lump sum reserve is determined on the basis of the best available estimate of the costs for warranty repairs in accordance with the Company's historical experience. This reserve does not include the costs of repairs of sold cars that are initiated by the manufacturer due to the one-off nature of these costs and the impossibility to reliably predict them.

f) Estimated Payables

The Company recognises estimated payables for unbilled supplies upon the acquisition of tangible and intangible fixed assets, material, energy and services.

g) Loans

Loans are stated at their nominal value.

The portion of long-term loans maturing within one year from the balance sheet date is included in short-term loans.

h) Foreign Currency Translation

The Company uses the Czech National Bank's ruling foreign exchange rate for the previous business day in the translation of foreign currencies. During the year, the Company recognises realised foreign exchange rate gains or losses.

Assets and liabilities denominated in foreign currencies are translated using the foreign exchange rate promulgated by the Czech National Bank as of the balance sheet date. Unrealised foreign currency translation gains and losses are reported in the results of operations.

i) Finance Lease

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, ownership title to the asset transfers from the

lessor to the lessee; pending the transfer of title the lessee makes lease payments to the lessor for the asset that are charged to expenses.

j) Income Tax

Income tax for the period is composed of the tax payable and movements in deferred tax. The tax payable includes the estimate of the tax calculated from the tax base using the tax rate applicable on the last day of the reporting period and all tax arrears and refunds for prior periods.

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities using the anticipated tax rate applicable for the following periods.

A deferred tax asset is recognised only if it is likely that it will be realised in the following reporting periods.

k) Revenue Recognition

Revenues are recognised when goods are shipped out of stock and significant risks and rewards have passed to the customer or when services are rendered and are reported net of discounts and VAT.

In the case of invoicing without physical unloading ("Bill and Hold sales"), revenues are recognised if the customer requires this form of delivery and under the condition that the customer accepts the invoicing and the transfer of ownership and risks. In order to recognise revenues in the case of invoicing without physical unloading, the following conditions must be fulfilled:

- 1) It is likely that a physical delivery will take place;
- 2) At the moment of recognition of the revenue, the goods are physically available, they are specifically intended for a particular customer and are prepared for delivery;
- 3) The customer confirms the terms and conditions of the invoicing transaction without physical delivery; and
- 4) The customary payment conditions of the Company are valid for the transaction.

l) Subsidies

Subsidies received from the state budget in support of the creation of new jobs and support of retraining and training of employees are recognised in other operating income. Received subsidies for the support of investments are recognised as acquisition of fixed assets as a decrease in the cost of assets.



m) Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

n) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.



o) Cash Flow Statement

The cash flow statement was prepared using the indirect method. Cash equivalents represent current liquid assets that can be easily and readily converted into a predefined amount in cash.

Cash and cash equivalents may be analysed as follows:

(CZK thousand)

	31 Dec 2022	31 Dec 2021
Cash on hand and cash in transit	4	64
Cash at bank	28 362 081	34 711 317
Total cash and cash equivalents	28 362 085	34 711 381

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

3. Fixed Assets

a) Intangible Fixed Assets

(CZK thousand)

	Software	Other intangible fixed assets	Intangible FA under construct.	Total
Cost				
Balance at 1 Jan 2022	460 866	46 557	4 161	511 584
Additions	27 578	9 022	33 002	69 602
Disposals	--	18 870	27 617	46 487
Balance at 31 Dec 2022	488 444	36 709	9 546	534 699
Accumulated amortisation				
Balance at 1 Jan 2022	400 113	--	--	400 113
Amortisation	30 824	1	--	30 825
Accumulated amortisation to disposals	--	--	--	--
Balance at 31 Dec 2022	430 937	1	--	430 938
Net book value at 1 Jan 2022	60 753	46 557	4 161	111 471
Net book value at 31 Dec 2022	57 507	36 708	9 546	103 761

(CZK thousand)

	Software	Other intangible fixed assets	Intangible FA under construct.	Total
Cost				
Balance at 1 Jan 2021	433 332	50 493	1 136	484 961
Additions	31 590	11 480	34 930	78 000
Disposals	4 056	15 416	31 905	51 377
Balance at 31 Dec 2021	460 866	46 557	4 161	511 584
Accumulated amortisation				
Balance at 1 Jan 2021	382 663	--	--	382 663
Amortisation	21 406	--	--	21 406
Accumulated amortisation to disposals	3 956	--	--	3 956
Balance at 31 Dec 2021	400 113	--	--	400 113
Net book value at 1 Jan 2021	50 669	50 493	1 136	102 298
Net book value at 31 Dec 2021	60 753	46 557	4 161	111 471

In respect of software, the Company continued to modernise its information systems, primarily in assurance of production quality, during the years ended 31 December 2022 and 2021.

b) Tangible Fixed Assets

(CZK thousand)

	Land	Buildings	Individual movable assets	Tangible FA under construction	Prepay-ments	Total
Cost						
Balance at 1 Jan 2022	165 653	8 828 054	33 832 853	35 953	11 238	42 873 751
Additions	--	293 178	546 953	1 104 555	967 268	2 911 954
Disposals	--	--	1 924 267	840 131	25 976	2 790 374
Balance at 31 Dec 2022	165 653	9 121 232	32 455 539	300 377	952 530	42 995 331
Accumulated depreciation						
Balance at 1 Jan 2022	--	3 625 159	25 266 458	--	--	28 891 617
Depreciation	--	294 781	3 150 961	--	--	3 445 742
Provision	--	--	-540 852	--	--	- 540 852
Accumulated depreciation to disposals	--	--	1 306 777	--	--	1 306 777
Balance at 31 Dec 2022	--	3 919 940	26 569 790	--	--	30 489 730
Net book value at 1 Jan 2022	165 653	5 202 895	8 566 395	35 953	11 238	13 982 134
Net book value at 31 Dec 2022	165 653	5 201 292	5 885 749	300 377	952 530	12 505 601

(CZK thousand)

	Land	Buildings	Individual movable assets	Tangible FA under construction	Prepay-ments	Total
Cost						
Balance at 1 Jan 2021	167 511	8 799 982	32 400 922	119 674	40 420	41 528 509
Additions	--	52 238	1 685 095	1 653 612	85 583	3 476 528
Disposals	1 858	24 166	253 164	1 737 333	114 765	2 131 286
Balance at 31 Dec 2021	165 653	8 828 054	33 832 853	35 953	11 238	42 873 751
Accumulated depreciation						
Balance at 1 Jan 2021	--	3 341 216	21 796 012	--	--	25 137 228
Depreciation	--	292 271	3 130 986	--	--	3 423 257
Provision	--	--	551 699	--	--	551 699
Accumulated depreciation to disposals	--	8 328	212 239	--	--	220 567
Balance at 31 Dec 2021	--	3 625 159	25 266 458	--	--	28 891 617
Net book value at 1 Jan 2021	167 511	5 458 766	10 604 910	119 674	40 420	16 391 281
Net book value at 31 Dec 2021	165 653	5 202 895	8 566 395	35 953	11 238	13 982 134

In the year ended 31 December 2022, additions to movable fixed assets primarily included modernisation of existing machinery equipment in the aggregate amount of CZK 214,794 thousand. The Company also acquired moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 179,567 thousand for Hyundai Tucson, in the amount of CZK 19,301 thousand for Hyundai i30 and in the amount of CZK 13,475 thousand for Hyundai Kona. Part of the hall intended for the manufacturing of transmissions was rebuilt by the Company into a hall for the manufacturing of high voltage batteries intended for hybrid vehicles and

electric cars – this investment amounted to CZK 175,033 thousand. In relation to this rebuilding, the Company sold machinery with the original acquisition cost of CZK 1,574,722 thousand. Other disposals of movable fixed assets primarily included phased-out obsolete machinery equipment and tools in the amount of CZK 223,639 thousand and phased-out moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 106,700 thousand. The Company released the provision in the amount of CZK 540,852 thousand for machines that were disposed of.

In the year ended 31 December 2021, additions to movable fixed assets primarily included modernisation of existing machinery equipment in the aggregate amount of CZK 243,989 thousand. The Company also acquired moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 1,113,254 thousand for Hyundai Tucson, in the amount of CZK 100,439 thousand for Hyundai i30 and in the amount of CZK 44,739 for Hyundai Kona. Disposals of movable fixed assets primarily included phased-out obsolete machinery equipment and tools in the amount of CZK 79,068 thousand, phased-out company vehicles in the amount of CZK 58,559 thousand and phased-out moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 46,257 thousand. The Company created a provision in the amount of CZK 551,699 thousand for machines that will no longer be used for transmission production.

The Moravian-Silesian region carries the pre-emption right to acquire all land in the area of the Company's production plant of CZK 153,435 thousand. This land is located at the cadastral area of Nošovice and Nižní Lhoty.



4. Inventory

Internally developed inventory includes completed cars and semi-finished products manufactured during the production of cars.

As of the balance sheet date, the Company holds inventory of material necessary for the production of cars of CZK 3,721,786 thousand (2021: CZK 3,266,818 thousand) and inventory of spare parts for production equipment of CZK 386,789 thousand (2021: CZK 351,165 thousand). The provision against production material amounts to CZK 16,910 thousand (2021: CZK 77,659 thousand) and against spare parts to CZK 260,746 thousand (2021: CZK 257,995 thousand) as of the balance sheet date.

5. Trade Receivables and Payables

Overdue short-term trade receivables amount to CZK 210,035 thousand (2021: CZK 406,497 thousand).

Overdue short-term trade payables amount to CZK 37,131 thousand (2021: CZK 26,852 thousand).

6. State - Tax Receivables

The receivable from the state includes a receivable arising from the VAT refund based on the filed tax return of CZK 1,576,178 thousand (2021: CZK 1,179,061 thousand) and the sum of VAT not yet sought to be refunded of CZK 1,673,878 thousand (2021: CZK 1,488,673 thousand). In 2022, the receivable also included the prepayments for excise tax in the amount of CZK 3 thousand.

7. Sundry Receivables

Sundry receivables predominantly include receivables arising from VAT paid in other EU member states. The filed applications for the refund of VAT amount to CZK 6,953 thousand (2021: CZK 2,735 thousand) and the sum of VAT not yet sought to be refunded amounts to CZK 92,641 thousand (2021: CZK 61,980 thousand).

8. Share Capital

As of 31 December 2022, the share capital consisted of the investment of the sole owner. The share capital was fully paid as of 31 December 2022.



9. Statement of Changes in Equity

(CZK thousand)

2022	Share capital	Other profit or loss from prior years	Accumulated profit	Profit for the period	Total
Balance at 1 Jan 2022	13 901 000	-2 708 810	27 794 687	8 908 093	47 894 970
Allocation to funds, allocation of profit/loss	--	--	1 085 758	-1 085 758	--
Transfer of other profit or loss	--	2 708 810	-2 708 810	--	--
Payment of profit shares	--	--	--	-7 822 335	-7 822 335
Profit for 2022	--	--	--	10 959 562	10 959 562
Balance at 31 Dec 2022	13 901 000	--	26 171 635	10 959 562	51 032 197

(CZK thousand)

2021	Share capital	Other profit or loss from prior years	Accumulated profit	Profit for the period	Total
Balance at 1 Jan 2021	13 901 000	-1 867 847	26 676 074	3 361 940	42 071 167
Allocation to funds, allocation of profit/loss	--	--	1 118 613	-1 118 613	--
Transfer of APA correction for 2020	--	-840 963	--	840 963	--
Payment of profit shares	--	--	--	-3 084 290	-3 084 290
Profit for 2021	--	--	--	8 908 093	8 908 093
Balance at 31 Dec 2021	13 901 000	-2 708 810	27 794 687	8 908 093	47 894 970

10. Reserves

(CZK thousand)

Reserves	Balance at 31 Dec 2022	Balance at 31 Dec 2021
For outstanding vacation days	23 411	22 386
For warranty repairs	9 017 623	9 702 908
Total	9 041 034	9 725 294

11. Estimated Payables

Estimated payables recognised in the balance sheet include unbilled supplies of material of CZK 2,182,281 thousand (2021: CZK 152,962 thousand), unbilled supplies of consumed energy and other costs of CZK 1,209,993 thousand (2021: CZK 711,162 thousand) and unbilled supplies for the acquisition of tangible fixed assets in the amount of CZK 149,908 thousand (2021: CZK 3,036 thousand).

12. Bank Loans

Long-Term Loans

(CZK thousand)

	Currency	Balance at 31 Dec 2022 (CZK '000)	Balance at 31 Dec 2021 (CZK '000)	Form of collateral in 2022
Loan A	EUR	4 823 000	--	--
Loan B	EUR	--	5 717 800	--
Total		4 823 000	5 717 800	

Short-Term Loans

(CZK thousand)

	Currency	Balance at 31 Dec 2022 (CZK '000)	Balance at 31 Dec 2021 (CZK '000)	Form of collateral in 2022
Loan A	EUR	--	4 972 000	--
Loan C	MXN, USD	805 111	590 874	--
Total		805 111	5 562 874	

Repayment Schedule

(CZK thousand)

	2023	2024	Following periods
Loan A	--	4 823 000	--
Loan C	805 111	--	--
Total	805 111	4 823 000	--

13. Sales of Own Products and Services

(CZK thousand)

Market	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Czech Republic	5 911 762	5 438 977
EU	101 178 063	100 207 335
Other than EU countries - Europe	28 010 176	11 340 142
Other than EU countries - other	32 634 154	23 436 683
Total sales of own products and services	167 734 155	140 423 137

In 2022, 98.8% of the sales of products related to sold cars (2021: 98.6%). The remaining 1.2% (2021: 1.4%) related to the sale of transmissions and other semi-finished goods, which the Company supplies to other production companies within the Group in Europe.

14. Consumed Material and Energy

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Consumed material	133 848 358	113 716 347
Consumed energy	640 784	398 131
Total consumed material and energy	134 489 142	114 114 478



15. Services

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Travel expenses	17 770	1 893
Building security, cleaning and operation	307 789	294 507
Production support services	1 181 216	953 390
Service and licence fees	7 496 306	2 889 354
Hiring and support of staff	559 625	593 874
IT services and software	94 766	85 576
Transportation services	1 821 416	1 090 022
Advisory and audit services	11 706	12 595
Repairs and maintenance of buildings and equipment	145 176	128 864
Rental	31 920	34 564
Training	6 620	6 909
Other services	53 376	36 091
Total	11 727 686	6 127 639

16. Sales of Material, Sold Material

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Sales of material to sub-suppliers	6 955 346	5 566 366
Sales of secondary raw material	431 990	363 645
Total sales of material	7 387 336	5 930 011

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Material sold to sub-suppliers	7 436 574	6 206 131
Sold secondary raw material	431 990	363 645
Total sold material	7 868 564	6 569 776

17. Sundry Operating Income

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Rebiling of complaint costs to suppliers	435 891	800 756
Employment support contribution	3 353	20 571
Inventory count differences	615	1 205
Other operating income	327 668	133 384
Total	767 527	955 916

18. Sundry Operating Expenses

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Insurance	45 769	30 537
Costs of warranty repairs and campaigns	2 466 735	2 778 021
Inventory count differences	1 509	2 177
Other operating expenses	187 123	142 666
Total	2 701 136	2 953 401

19. Interest Income

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Interest on provided loans	28 341	32 495
Interest on provided business loans	397 234	184 062
Interest on deposits at bank accounts	141 409	5 902
Total	566 984	222 459

20. Interest Expense

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Interest on received bank loans and overdrafts	85 444	38 896
Fees on bank account balances	57 051	47 566
Total	142 495	86 462

21. Other Financial Income

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Foreign exchange rate gains	4 036 108	3 363 499
Gains from revaluation of derivatives	22 339	--
Total	4 058 447	3 363 499

22. Other Financial Expenses

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Foreign exchange rate losses	4 613 712	4 686 226
Losses from revaluation of derivatives	--	4 688
Other financial expenses	18 646	9 382
Total	4 632 358	4 700 296

23. Income Tax

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Tax payable	2 454 836	2 335 096
Deferred tax	47 146	-205 937
Total	2 501 982	2 129 159

Profit before tax and calculation of tax payable:

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Profit before tax	13 461 544	11 037 252
Anticipated tax costs (19%)	2 557 693	2 097 078
Non-tax expenses and income	20 540	270 862
Tax for prior periods	-123 397	-32 844
Tax payable	2 454 836	2 335 096

The total deferred tax asset/liability can be analysed as follows:

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Accumulated depreciation and amortisation of fixed assets	-475 410	-585 374
Provision against inventory	58 529	85 630
Reserves	1 717 797	1 847 805
Total (+ asset/ - liability)	1 300 916	1 348 061



24. Related Parties

a) Trade Receivables and Payables

Trade receivables and payables include the following balances with related parties:

(CZK thousand)

	Receivables as of 31 Dec		Payables as of 31 Dec	
	2022	2021	2022	2021
Hyundai Motor Company	7 166	1 606	1 648 510	2 181 210
Hyundai Motor Europe GmbH	16 645 642	14 209 264	--	--
Hyundai Rotem Company	--	--	8 653	2 472
Hyundai Engineering Czech s.r.o.	--	--	37 253	27 491
Hyundai AutoEver Corporation	--	--	117	305
Hyundai AutoEver Europe GmbH	--	--	20 812	5 706
G.I.T Co., Ltd	--	--	7 365	759
Hyundai Glovis Co. Ltd.	56 492	50 052	66 381	52 145
Hyundai Glovis Czech Republic s.r.o.	24	452	37 062	80 470
Glovis Europe GmbH	54	199	17 940	55 735
Glovis Slovakia, s.r.o.	--	--	1 008	897
Hyundai Steel Czech s.r.o.	766	1 342	364 787	252 770
Hyundai Motor Company Italy s.r.l.	--	--	--	8 815
Hyundai Motor Czech s.r.o.	1 745 454	1 386 984	--	2 348
Hyundai Motor Deutschland GmbH	--	--	--	24 361
Hyundai Motor Poland Sp. z o. o.	--	--	--	4 700
Hyundai Motor UK Ltd.	--	--	--	12 786
Hyundai Motor España S.L.U.	--	--	--	4 998
Hyundai Motor Netherlands B.V.	--	--	--	2 248
Hyundai Motor France	42	--	--	14 393
Hyundai Motor Mfg. Rus LLC	233	--	19	--
Hyundai Assan Otomotive SVT A.S.	78 496	585 534	--	316
Hyundai Motor Company Australia Pty Ltd.	178 100	136 990	--	1 113
Hyundai Motor de Mexico, S de RL de CV	809 223	1 008 223	--	1 357
Hyundai Motorsport GmbH	954	--	--	--
Shandong Hyundai WIA Automotive Engine Co.	2	--	--	4 098
HM Czech, s.r.o.	28 439	95	--	--
Hyundai Mobis Co. Ltd.	1 667	4 254	--	--
Mobis Slovakia s.r.o.	8 791	7 668	49 697	37 840
Mobis Automotive Czech s.r.o.	98 175	93 015	4 379 773	3 673 209
Mobis Automotive System Czech s.r.o.	8	--	--	--
Mobis Parts Europe N.V.	248	--	--	--
Jiangsu Mobis Automotive Parts Co., Ltd.	--	--	12 514	13 989
Hyundai Transys Czech, s.r.o.	38 926	34 221	711 538	611 321
Kia Slovakia s. r. o.	75 525	131 666	306	830 816
Total	19 774 427	17 651 565	7 363 735	7 908 668



As of the balance sheet date, the Company reported prepayments made for the assets of Mobis Automotive Czech s.r.o. of CZK 163,535 thousand (2021: CZK 0), of Hyundai Transys Czech, s.r.o. of CZK 53,698 thousand (2021: CZK 0), of Hyundai Engineering Czech s.r.o. of CZK 1,146 thousand (2021: CZK 3,204 thousand) and prepayments made for the material of Hyundai Glovis Co. Ltd. in the amount of CZK 780,780 thousand (2021: CZK 305,726 thousand). In 2021, prepayments for assets were provided to Hyundai AutoEver Europe GmbH in the amount of CZK 3,680 thousand.

As of the balance sheet date, estimated payables to Kia Motors Slovakia s.r.o. amount to CZK 936,316 thousand (2021: CZK 0) and estimated payables to Hyundai Motor Company amount to CZK 144,795 thousand (2021: CZK 0). In 2021, the Company recorded estimated payables to G.I.T Co., Ltd. in the amount of CZK 125 thousand.

b) Sales and Purchases

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Sales of products	139 112 487	117 885 385
Sales of fixed assets	--	4 629
Sales of material	1 964 329	1 713 828
Other operating income	632 974	816 333
Interest income and other financial income	425 575	216 557
Total sales	142 135 365	120 636 732

(CZK thousand)

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Purchase of fixed assets	348 132	534 715
Purchase of material	97 419 712	82 681 486
Purchase of services	10 505 373	5 477 616
Other operating expenses	1 772 765	2 086 842
Total purchases	110 045 982	90 780 659

c) Provided loans

Short-term receivables – controlled or controlling entity and loans and borrowings – controlled or controlling entity within short-term receivables and non-current financial assets comprise the following balances relating to the Group companies:

(CZK thousand)

	Currency	Balance at 31 Dec 2022 (CZK '000)	Balance at 31 Dec 2021 (CZK '000)	Interest rate as at 31 Dec 2022	Form of collateral 2022
Hyundai Truck and Bus Rus LLC	EUR	327 964	338 096	0,95%	--
Hyundai Truck & Bus (China) Co., Ltd.	EUR	2 604 420	2 684 880	0,95%	--
Total		2 932 384	3 022 976		

Repayment schedule

(CZK thousand)

	2023	2024	Following periods
Hyundai Truck and Bus Rus LLC	327 964	--	--
Hyundai Truck & Bus (China) Co., Ltd.	2 604 420	--	--
Total	2 932 384	--	--

d) Other transactions

In the year ended 31 December 2022, the Company paid profit share to its owner, Hyundai Motor Company, in the amount of CZK 7,822,335 thousand (2021: CZK 3,084,290 thousand).

25. Employees and Managers

a) The average recalculated number of employees and managers and staff costs for the years ended 31 December 2022 and 2021:

(CZK thousand)

2022	Number of employees	Payroll costs	Social security and health insurance	Social costs
Employees	2 707	1 709 038	574 382	--
Managers	25	66 510	17 837	--
Total	2 732	1 775 548	592 219	131 495
Managers (IHOL)	6	30 259	3 210	--

(CZK thousand)

2021	Number of employees	Payroll costs	Social security and health insurance	Social costs
Employees	2 564	1 515 806	506 754	--
Managers	23	61 691	15 972	--
Total	2 587	1 577 497	522 726	105 398
Managers (IHOL)	7	36 417	3 945	--

The Company employed 39 Korean workers (2021: 38) on average based on the International Hiring of Labour (IHOL) contract. The aggregate payroll costs amounted to CZK 156,146 thousand (2021: CZK 139,705 thousand) and are reported in profit and loss account line A.3 'Services' (refer to Note 15).

The social costs incurred by the Company in 2022 and 2021 principally include payments made under the International Hiring of Labour Contract, the costs of providing meals to all employees and the employer's contribution towards settling the costs of transportation to work. The Company is unable to analyse these costs into the part attributable to management and other employees.

b) Bonuses and Loans to the Members of Statutory and Supervisory Bodies

Members of senior management use Company cars for both business and private purposes.

26. State – Tax Payables and Subsidies

Tax payables are represented by a payable arising from the due income tax in the amount of CZK 955,053 thousand (2021: CZK 921,229 thousand), the employees' income tax payments withheld by the Company of CZK 21,830 thousand (2021: CZK 16,662 thousand), road tax of CZK 0 thousand (2021: CZK 5 thousand) and subsidies of CZK 36,355 thousand (2021: CZK 46,242 thousand).

In 2007 and 2008, the Company received a cash grant for capital investment of CZK 1,451,584 thousand pursuant to the resolution of the Czech Ministry of Industry and Trade.

Pursuant to the contract put in place between Hyundai Motor Company, the Republic of Korea, the Czech Republic, the Moravian-Silesian Region and CzechInvest, the Company purchased land from the Moravian-Silesian Region for a discounted price in 2007. This form of public aid amounted to CZK 736,427 thousand. In addition, the Company applied income tax relief totalling CZK 2,313,112 thousand in the tax returns for 2012 and 2013.

On 3 December 2008, the Company and the Ministry of Labour and Social Affairs entered into an agreement on the support of creation of jobs as part of investment incentives and agreement on the cash grant for the retraining or training of employees as part of investment incentives. Pursuant to these agreements, the Company drew the cash grant in 2009 to 2012 in the amount of CZK 708,791 thousand.

In 2019 to 2022, the Company received a cash grant for capital investment of CZK 17,726 thousand from the Operational Programme Enterprise and Innovation for Competitiveness based on the decision of the Ministry of Industry and Trade.

The Company received an investment incentive for production expansion through an increase in manufacturing capacity based on the decision of the Ministry of Industry and Trade of the Czech Republic of 21 November 2019 in the form of an income tax relief of CZK 73,647 thousand for 2021.

Based on an agreement on the provision of a contribution from the special-purpose Antivirus programme concluded on 14 April 2020 with the Czech Republic (through the Labour Office), the Company received a contribution to cover the wage compensation expenses totalling CZK 3,353 thousand (2021: CZK 20,571 thousand) in 2022.

27. Other Matters

On 18 May 2006, Hyundai Motor Company, the Republic of Korea, the Czech Republic acting through and represented by the Czech Ministry of Industry and Trade, the Czech Ministry of Finance, the Czech Ministry of Labour and Social Affairs, the Czech Ministry of Transportation and the Czech Ministry of the Interior, the Moravian Silesian Region and CzechInvest entered into the Investment Agreement based on which the Company has received an investment incentive as follows:

- Transfer of land for a discounted price (refer to Note 26);
- Cash grant for capital investment (refer to Note 26);
- Subsidy for the creation of jobs (refer to Note 26);
- Subsidy for the training and retraining of employees (refer to Note 26); and
- Tax relief (refer to Note 26).

The Company formed the HYUNDAI Foundation with its registered office at Ostrava on 7 February 2007. The aim of the Foundation is to support civil society and community programmes on the territory impacted by the operations of the car production plant in Nošovice, predominantly projects contributing to the protection and improvement of the environment, projects leading to increased awareness about the environment and its protection, and projects promoting the environment with the objective of attracting the general public's attention. The equity investment in the Foundation includes the investment of the Company of CZK 5,000 thousand.

28. Contingent Liabilities

Legal Disputes

As of 31 December 2022, the Company was involved in no legal dispute, the outcome of which would significantly affect the Company.

Environmental Liabilities

Management of the Company is not aware of the existence of contingent liabilities arising from environmental damage.

The Company carries no other contingent liabilities.

29. Post Balance Sheet Date Events

On 23 January 2023, a change in the statutory executive was recorded in the corporate details held in the Register of Companies: Cheolseung Baek was removed from the corporate details and Changki Lee was recorded. The positions ceased to exist and originated, respectively, as of 1 January 2023.

Report on Relations

of Hyundai Motor Manufacturing Czech s.r.o.,
for the Year Ended 31 December 2022
prepared in line with Section 82 et seq.
of Act No. 90/2012 Coll., on Business Corporations,
as amended



Controlled Entity:

Hyundai Motor Manufacturing Czech s.r.o.

With its registered office at Průmyslová zóna
Nošovice, Hyundai 700/1, Nižní Lhoty, 739 51
Corporate ID: 277 73 035
Held by the Regional Court in Ostrava under file
no. C 41484

Controlling Entity:

Hyundai Motor Company

With its registered office at Seoul, Seocho-Gu,
Heolleung-ro 12
Republic of Korea
Corporate ID: 1018109147

Other entities controlled by the controlling entity (hereinafter also referred to as “related parties”):

Hyundai Motor Europe GmbH
Hyundai Motor Czech s.r.o.
Hyundai Motor UK Ltd.
Hyundai Motor Company Italy s.r.l.
Hyundai Motor Netherlands B.V.
Hyundai Motor Poland Sp. z o. o.
Hyundai Motor CIS LLC
Hyundai Motor España, S. L. U.
Hyundai Motor Deutschland GmbH
Hyundai Motor Manufacturing Rus LLC
Hyundai Motor France
Hyundai Motor Europe Technical Center GmbH
Hyundai Motorsport GmbH
Hyundai Truck and Bus Rus LLC
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.
Hyundai Motor Company Australia Pty Ltd.
Hyundai Motor de Mexico, S de RL de CV
Hyundai Truck and Bus (China) Co., Ltd
Kia Europe GmbH
Kia Czech s.r.o.
Kia Slovakia s. r. o.
Hyundai Rotem Company
Hyundai AutoEver Europe GmbH, organizační složka
Hyundai AutoEver Europe GmbH
Hyundai AutoEver Corporation
G.I.T Co., Ltd

HM Czech, s.r.o.
Max People s.r.o.
Hyundai Engineering Czech s.r.o.
Hyundai Steel Czech s.r.o.
Hyundai Glovis Co., Ltd.
Hyundai Glovis Czech Republic s.r.o.
Glovis Europe GmbH
Glovis Slovakia, s.r.o.
Adampol Czech s.r.o.
Hyundai Mobis Co., Ltd.
Mobis Automotive Czech s.r.o.
Mobis Automotive System Czech s.r.o.
Mobis Slovakia s.r.o.
Mobis Parts Europe N.V.
Jiangsu Mobis Automotive Parts Co., Ltd.
Hyundai Transys Czech, s.r.o.
Shandong Hyundai WIA Automotive Engine Company
Haevichi Hotel & Resort Co., Ltd



I.

Structure of relations between the controlled entity, controlling entity and other controlled entities, the role of the controlled entity in this structure and the manner and means of control of the controlled entity:

Hyundai Motor Group connects the production of cars and car components, steel industry, construction industry, logistic, financial, IT and other services into one chain with the aim of providing top-quality products and services. The corporation is controlled by Hyundai Motor Company and as of 31 December 2022, it comprised 468 companies which are divided into the groups as follows:

Cars

- Hyundai Motor Company
- Kia Corporation

Car components

- Hyundai Mobis
- Hyundai WIA
- Hyundai Mseat
- Hyundai Transys
- Hyundai Kefico
- Hyundai IHL
- Hyundai Partecs

Finance

- Hyundai Capital
- Hyundai Card
- Hyundai Commercial
- Hyundai Motor Securities

Steel industry

- Hyundai Steel
- Hyundai BNG Steel
- Hyundai Special Steel

Construction industry

- Hyundai Engineering & Construction
- Hyundai Engineering
- Hyundai Engineering & Steel Industries
- Hyundai Architects & Engineers Associates
- Hyundai City Corporation

Other

- Hyundai Glovis
- Hyundai AutoEver
- Hyundai Rotem
- Hyundai NGV
- Innocean Worldwide
- Haevichi Hotel & Resort
- Hyundai Farm Land & Development Company
- GIT
- G-Marine Service

Hyundai Motor Manufacturing Czech s.r.o. is part of the Hyundai Motor Company Group and its principal objective relates to facilitating the expansion of the corporation in Europe. Hyundai Motor Manufacturing Czech s.r.o. is directly controlled by Hyundai Motor Company. The control was performed by the General Meeting and by way of hiring managers from Hyundai Motor Company. The control results from the dominating position of the controlling entity given that it is the sole shareholder of Hyundai Motor Manufacturing Czech s.r.o.



II.

List of acts performed in the latest reporting period, ie in the year ended 31 December 2022, made at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity, which solely related to assets exceeding 10% of equity of the controlled entity in line with the financial statements for the year ended 31 December 2021:

1. Realised Income

(in CZK thousand)

	Sales generated by own products	Sales of material	Other operating income	Interest income
Hyundai Motor Company	9 312	--	142 590	--
Hyundai Motor Europe GmbH	119 052 772	--	627	244 973
Hyundai Motor Czech s.r.o.	8 410 679	--	1 302	77 291
Hyundai Glovis CO. Ltd.	--	--	271 746	--
Mobis Automotive Czech s.r.o.	--	1 012 159	115 161	--
Hyundai Transys Czech, s.r.o.	--	458 197	9 217	--
Kia Slovakia s. r. o.	1 624 611	412	55 613	--

2. Realised Purchases

(in CZK thousand)

	Purchase of fixed assets	Purchase of material	Purchase of services	Other operating costs
Hyundai Motor Company	168 753	827 522	7 597 945	--
Hyundai Motor Europe GmbH	--	--	3 938	--
Hyundai Motor Czech s.r.o.	14 809	857	--	122 096
Hyundai Glovis CO. Ltd.	87	24 987 590	709 721	--
Mobis Automotive Czech s.r.o.	70 586	45 185 351	4 563	--
Hyundai Transys Czech, s.r.o.	716	7 385 943	--	2
Kia Slovakia s. r. o.	--	12 507 010	--	34 275



III. List of agreements valid between the controlling entity and the controlled entity in the latest reporting period, ie in the year ended on 31 December 2022:

The following agreements were valid between the controlling and controlled entities in the year ended 31 December 2022:

- International Hiring-out of Labour Force Agreement, of 18 December 2006;
- Agreement on Cooperation between HMMC and HMC, of 1 January 2015;
- Agreement/order no. P220745846, Assembly Automation System, of 20 July 2022;
- Agreement/order no. P221227716, SX2 Welding Machinery, of 15 December 2022.

IV. List of agreements valid between the controlled entity and other controlled entities in the latest reporting period, ie in the year ended on 31 December 2022:

1. Agreements for the sale of manufactured cars were concluded with the following related parties:

- Hyundai Motor Europe GmbH
- Hyundai Motor Czech s.r.o.
- Hyundai Motor Company Australia Pty Ltd.
- Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.
- Hyundai Motor de Mexico, S de RL de CV

2. Agreements on the purchase of goods and services were concluded with the following related parties (this predominantly related to the purchase of moulds, material, computers and programmes):

- Hyundai Glovis Czech Republic s.r.o.
- Hyundai Glovis Co., Ltd.
- Hyundai Rotem Company
- Mobis Automotive Czech s.r.o.
- Mobis Slovakia s.r.o.
- Jiangsu Mobis Automotive Parts Co., Ltd.
- Hyundai Transys Czech, s.r.o.
- Hyundai Steel Czech s.r.o.
- Hyundai AutoEver Corporation
- Hyundai AutoEver Europe GmbH, organizační složka
- Hyundai AutoEver Europe GmbH

3. Other agreements:

- Hyundai Truck and Bus Rus LLC, Loan Agreement
- Hyundai Truck and Bus (China) Co., Ltd, Loan Agreement
- Hyundai Glovis Czech Republic s.r.o., Contract on Right to Build

V.

Assessment of advantages and disadvantages arising from the relations between the controlled and controlling entities and from the relations between the controlled entity and other controlled entities:

Hyundai Motor Group has expanded its activities at the global level. As a result, Hyundai Motor Manufacturing Czech s.r.o. enjoys a number of advantages arising from related party transactions, which predominantly involve utilising the results of constant improvements of products and production processes in development centres as well as savings resulting from the strong centralised procurement position of the corporation. Other advantages include access to the global sales network. The Company is not aware of any disadvantages or risks arising from the participation in Hyundai Motor Group.

VI.

I, the undersigned, Changki Lee, statutory executive of Hyundai Motor Manufacturing Czech s.r.o., which is the controlled entity, hereby declare that the data included in this report are accurate and complete.

In Nižní Lhoty on 6 February 2023

Changki Lee
Statutory executive
Hyundai Motor Manufacturing Czech s.r.o.



Auditor's report



Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Partner of
Hyundai Motor Manufacturing Czech s.r.o.

Having its registered office at: Hyundai 700/1, 739 51 Nižní Lhoty, Průmyslová zóna Nošovice

Opinion

We have audited the accompanying financial statements of Hyundai Motor Manufacturing Czech s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Hyundai Motor Manufacturing Czech s.r.o. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

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Responsibilities of the Company's Statutory Executive for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executive is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executive either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Executive.
- Conclude on the appropriateness of the Statutory Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Ostrava on 6 February 2023

Audit firm:


Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Petr Michalík
registration no. 2020





Hyundai Motor Manufacturing Czech s.r.o.
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