

Annual Report 2021

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.

As expected, the last year was still substantially affected by the impacts of the COVID-19 pandemic. However, unlike 2020, there was no drop in demand for our products. On the contrary, thanks to a completely upgraded product line with state-of-the-art electric and hybrid vehicles, demand for our vehicles exceeded our production capabilities.

Like the automotive industry worldwide, we have been affected by complications in the supply of semiconductor components. However, I am proud to say that thanks to the enormous efforts of our employees and close cooperation with our suppliers, we have managed to meet our plan and produce 275,000 vehicles. While many carmakers produced even fewer last year than in 2020, our company managed to increase production by 15%. We have helped to significantly increase Hyundai's market share in Europe.

At the beginning of 2021, we finished the complete replacement of the product range, a substantial part of which had already taken place in the previous year. The sharp Hyundai i30 N sports car underwent a facelift, the Kona Electric was launched in a 39 kWh battery version and the Tucson SUV received a sportier N Line trim level.

Europe and the Middle East remain our primary markets, with most vehicles sold to Germany in 2021.

For a long time, HMMC has been among the highest-performing plants in the Group. The last year confirmed this again when we placed first in all key indicator rating. We managed to enhance the quality of manufactured cars, apply new technologies in production processes and increase the level of automation.

Last year, the Company defended the Czech Employer of the Region in the category of under 5,000 employees again, confirming that we are on the right path regarding the welfare of our employees. The number of employees, both in-house and agency totalled over 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 established new partnerships in the area of sport and environment. Among the many CSR activities, I would like to highlight the opening of our own vaccination centre in May, which served not only our employees but also the public. I consider this to be an excellent example of cooperation between the private and public sectors, as this project was made possible thanks to the excellent cooperation of the representatives of the Moravian-Silesian Region. We will continue our community service activities with a strong emphasis on sustainable business and the development of 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. More than one third of the cars manufactured by HMMC now has hybrid, plug-in hybrid or fully electric powertrain and we are fully ready to further increase these numbers. Although 2022 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 2021.

In Nižní Lhoty on 23 February 2022

Cheolseung Baek
President and CEO
of 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 15 production plants worldwide (three in Korea, five in China, two in India and one in Russia, Turkey, Brazil, the US and the Czech Republic). In 2021, 515,886 vehicles were sold on the European market, 21.6% more than in 2020, which is an increase of one percentage point to 4.4%.

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 research

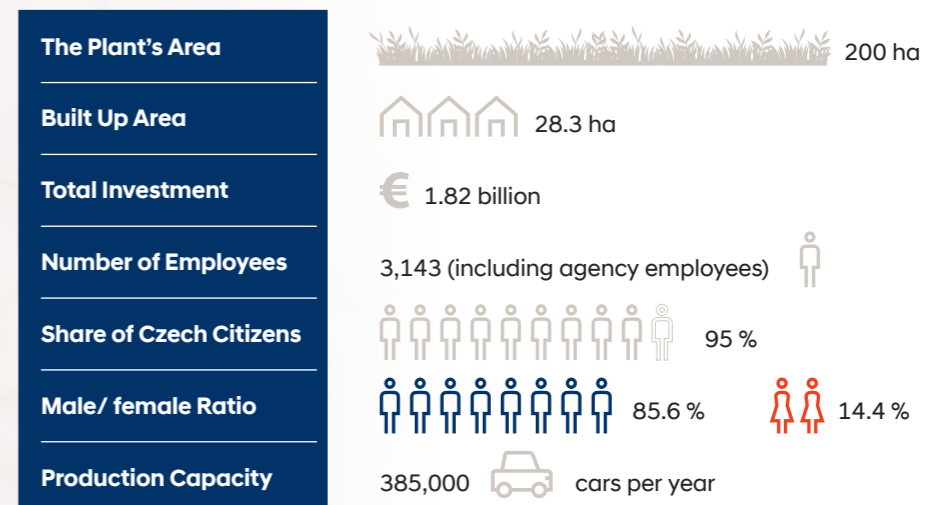
and development in of alternative fuel vehicles. One of the hot candidates to replace internal combustion engines is undoubtedly the battery electric vehicle. Production of electric vehicles began in Nošovice with a low-profile mild-hybrid back in 2018. However, full-scale electromobility took off in 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 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 and transmissions that are exported to 73 different countries worldwide. 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.

+21.6%
6.0%



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 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 offer exclusively zero-emission vehicles in Europe by 2035. Already more than one-third of our cars have a hybrid or electric powertrain. We also cooperate on the Hyundai brand's commitment to achieve carbon neutrality by 2045. Since 1 January 2022, we have been using electric power exclusively from renewable sources and working on major projects in the area of photovoltaics and energy savings. 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 the 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



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.

Jaewoong Shim Head of the Procurement Division



Mr Shim joined Hyundai Motor Company in 2016. Before that, he had worked for Kia Corporation from 1994. Throughout his career, he has focused primarily on the area of development and procurement of parts. Between 2008 and 2013 he worked for Kia Georgia. In January 2021, he was appointed head of the procurement division of 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 300,000th car produced
2011	September	The 500,000th 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 1,000,000th car produced
2014	November	"Excellence" Award under the Czech National Quality Award
2016	June	The 2,000,000th car produced
2017	November	"Excellence" Award under the Czech National Quality Award
2018	June	Production of the first mild hybrid vehicle launched
	December	The 4,000,000th transmission produced
2019	May	The 3,000,000th car produced
	October	The 1,000,000th 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 II shop and start of the reconstruction for the battery production

Products

Current product line

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



i30

Designed, developed, tested and manufactured in Europe, the model line Hyundai i30 is the DNA car for Hyundai Motor in Europe. The i30 was created as the new people's car. It has become part of a family of cars consisting of five body types, each with a unique character, and united by a timeless design. The third generation of the i30 model went through a facelift in 2021 within which the production of diesel engines for i30 was terminated. This change is in line with the European-wide departure trend from diesel engines. Besides, a DCT dual clutch automatic transmission has been introduced for the i30N model.

The i30 offers best-in-class standard active safety. As part of the facelift, the current offer was expanded to include many new features, such as Lane Following Assist (LFA), Rear Collision-avoidance Assist (RCA), Leading Vehicle Departure Alert (LVDA) or Blind-Spot Collision-avoidance Assist (BCA).

The engineers of Hyundai Motor Europe's Technical Centre in Germany enhanced the driving dynamics of the New Generation i30 in a rigorous testing programme throughout Europe and on the famous Nürburgring Nordschleife.

In 2018, Hyundai introduced the philosophy of high-performance Division N. The aim of the Company is to produce high-performance vehicles that meet exceptionally high standards, making them a truly extraordinary joy to drive while being extremely practical. Hyundai N product sales have surpassed all expectations.

The offer for customers is also supplemented by the N Line equipment level, characterised by specific N features that optimise design and performance. Since 2020, the N Line level has been offered not just for the hatchback and fastback versions, but also for the station wagon.


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 powertrains 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 directly to the brand new Tucson model – 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, the completely new 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 HDA with just one click.

The Tucson model is the flagship of our car factory – it makes more than 70% of all exports.

Tucson 70 %

of all exports

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 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 WardsAuto 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.

Awards received



Sport Auto Award – Hyundai i30 N was awarded the “Imported winner” for the third time in row in the category of small and compact sports cars below EUR 40,000

Hyundai Kona Electric placed among the top ten best electric cars of the **Autotrader** server

J.D. Power 2022 U.S. ALG Residual Value Award – Hyundai Kona was awarded the car with the highest percentage of sales price sustainability over a period of three years in the segment of small utility, electric and compact cars

PR Arabia National Auto Awards 2021 – Hyundai Tucson was awarded the best car in the small SUV segment

Carbuyer Best Car Awards – Hyundai Tucson was awarded the “Car of the Year”, the “Best Family Car” and the “Best Hybrid Car”.





Production Process



HMMC in 2021



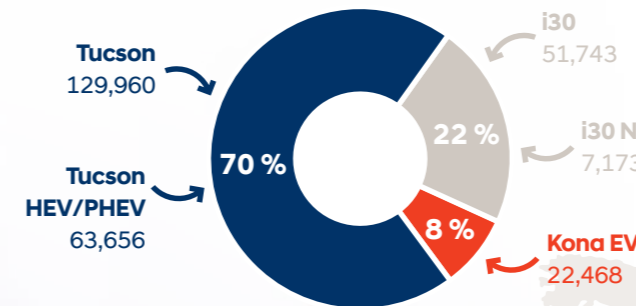
Production

2021 was a very demanding year full of expectations and challenges not only for HMMC. Concerns about the ongoing COVID-19 pandemic were intensified by global shortages of certain raw materials, missing components (chips/semiconductors), and problems in transport and logistics.

Despite all the above-mentioned circumstances, we managed to meet our annual production plan thanks to the tremendous effort and determination of all our employees.

In 2021, HMMC produced a total of 275,000 cars, i.e. by 15% more than in 2020.

The total volume of produced cars in 2021 consists of individual models as follows:

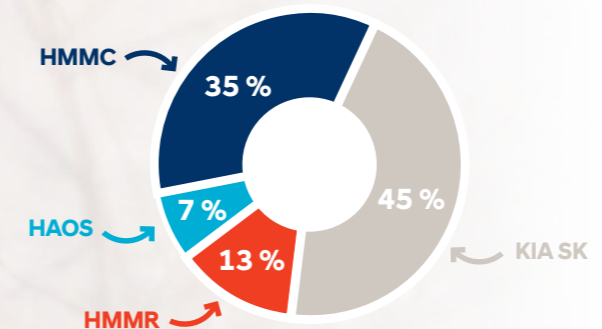


Last year, we also managed to finish the renewal of all our models, largely performed already in 2020.

We initiated production of:
 Tucson Plug-in hybrid (PHEV)
 Tucson N-Line
 i30 N facelift

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 sister plants in Russia, Turkey and Slovakia. From 2022 manual gearbox from HMMC will no longer be manufactured for the Russian plant.

In total, 248,746 transmissions were produced last year and distributed among individual plants as follows:



Sale

Cars manufactured in the Nošovice plant were exported to more than 70 different countries, literally "from Silesia to the end of the world". Most cars were traditionally sold to Germany (40,894), Spain (24,018) and the United Kingdom (21,360). 14,339 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 or Kuwait. The farthest markets of the Nošovice plant include Australia, Mexico or South Africa.



Country Top 10	Total Number In Pieces
1 Germany	40 894
2 Spain	24 018
3 UK	21 360
4 France	20 100
5 Poland	17 079
6 Czech Republic	14 339
7 Egypt	11 192
8 Italy	10 794
9 Turkey	8 759
10 Belgium	7 775
Other	99 310
TOTAL	275 620

Employees



As of 31 December 2021, the total number of employees (including agency employees) amounted to 3,143. 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 95% of all HMMC employees.

132 employees (4.2%) out of the total 3,143 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 Bargaining

Collective bargaining was successfully completed in January by the conclusion of the new company Collective Agreement valid for four years, from 1 January 2021 to 31 March 2025 (the salary section is valid for two years until 31 March 2023).

Work Safety

Work safety is the Company's priority. By inclusion of the top management, we put emphasis on the compliance with the OHS rules. Of the implemented activities, the following are particularly worth mentioning:

- Regular weekly OHS inspection by the Company's President directly in the production plants;
- Ongoing in-depth check of technical documentation of both existing and new devices;
- Investments in improving OHS conditions (e.g. more than CZK 2.5 million was invested in securing workplaces at height in 2021);
- Close cooperation with suppliers, including conferences (twice a year) and a joint benchmarking of workplaces with key suppliers;
- Successful ISO 45 001 certification audit;
- Introduction of a system for valuation of reported near accidents with a potential for the implementation of preventive measures also at other workplaces;
- Tests of new non-cutting sleeves to increase employee comfort.



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

The Company's year-round activities were focused on strengthening prevention in work safety, hygiene rules and fire prevention. The aim is to achieve that every employee and contractor enters and leaves the HMMC premises in good health. An incentive system has been set up for the employees where the entire group (groups of 90-450 employees) which achieves 100, 250, 500, 750 or 1,000 injury-free days is rewarded with a bonus.

HMMC will continue to strengthen all efforts to improve the level of health and safety at work in the coming years in line with the implemented OHS Safe Business and ISO 45 001 management systems.

Training

The COVID-19 pandemic had an impact on the development and education even in 2021. Nevertheless, we managed to organise more events for our employees than in the last year by extending our offer to online training.

While following very strict preventive measures, the Company was able to train 407 new employees. 1,198 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 2021, we also put a great emphasis on educating employees about OHS matters – these training courses were attended by 1,326 employees.

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

Interactive coaching sessions for individual teams including follow-up individual coaching sessions for managers were new in the last year. The goal of the meetings was, among other things, to improve relationships, mutual cooperation and communication within the teams. Participants most appreciated the specific action steps towards changes in areas regarded as a priority by the team.

Due to the poor epidemiologic situation not only in the Czech Republic but worldwide, it was still impossible to send employees for training and seminars in Korea or our European headquarters in Germany.

Even though we had to significantly limit some of our planned activities, we invested almost CZK 7 million into the development of our employees 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)
- Fitness (organised sessions – yoga, circuit training, fitness boxing, etc; individual sessions)
- Nutrition counseling

Months of Health

- Twice a year, always focused on a certain topic, everything free of charge
- 5/2021 "Get in shape" – Nordic walking courses, biking courses, running courses, inline-skates courses; examination of body composition using the InBody method + nutrition counseling with a nutrition consultant
- 10/2021 "Healthy legs" – examination by an orthopaedist + physiotherapy, yoga with focus on legs, leg massage, lectures

Medical centre

- Extensive renovations and improvements in the summer of 2021
- A doctor and a nurse available from Monday 6 a.m. to Saturday 6 a.m.
- Regular specialist examinations on Thursdays (EMG, audio, plethysmography)
- Flu vaccination (partially paid by HMMC)
- Vaccination against tick-borne encephalitis
- Company psychologist (coaching, counselling, etc.)

COVID-19

- Antigen tests free of charge for the employees (even during the times when it was not paid from the health insurance system)
- PCR-tests (during the period of mandatory antigen testing)
- Establishing an in-house vaccination centre (for employees and public; financial contribution for vaccinated employees – compensation for the increased costs for transport and time spent)
- Regular distribution of face masks and respirators (even when it was not compulsory)
- Anti-epidemic measures during the pandemic (disinfectants, temperature measurement with thermal cameras at the entrance, barrier measures in canteens and relaxation zones, etc.)
- Backtracking and related preventive absence in the workplace for "risk staff" (e.g. a parent waiting for the test result of their child) – 100% paid

Environment



HMMC is one of the most dynamic companies in the Czech Republic, and it follows the concept of the so called “sustainable growth based on a new relationship between people and the environment they live in.” The Company dismisses the antiquated idea that economic interests are at odds with environmental protection.



2021 was a year of innovation and continuation of the transition of mobility to a more environmentally friendly version, as evidenced by the fact that more than 30% of cars produced last year have a hybrid, plug-in hybrid or fully electric powertrain. In line with carbon neutrality plans, a transition to using electric power from renewable sources was launched in 2021.

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.



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 2021, re-certification audits were carried out in respect of the two systems (EMAS, ISO 14001:2015). The external auditors found no discrepancies during the audits.



It is also worth mentioning the other adjustments and investments that led to improvements of the environment in 2021:

- Installation of new low-emission gas burners in the steam boiler room of Energocentrum;
- Reduction of waste grinding sludge by separating oil from the sludge and reusing the oil in the production process;
- Installation of new containers for municipal waste and extension of collection to include bio-waste, metal packaging and glass, with the aim of better separation of municipal waste and minimisation of landfill
- 90 new trees and 975 bushes were planted in the HMMC compound.

A botanical survey recorded 123 types of plants in 2021. 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



2021 was focused on stabilising production of the new Hyundai Tucson (NX4). During 2021, we gradually launched additional engine variants of this model: PHEV – Plug-in hybrid version (highly demanded in three markets in Western Europe), N-LINE – sporty version with new interior/exterior features and chassis and steering tuning, NewU iMT – diesel version has been extended with the option of an intelligent manual transmission, HEV EU5 – hybrid version also for non-EU markets.

The COVID-19 pandemic has shown us that we need to be much more autonomous and independent of support from R&D and HMETC, which is why together with our production department we accelerated work on the Self-reliance project, so that our specialists are able to fully and individually work on the development of new projects. We have set up a plan to expand our knowledge both internally and through external training. We are systematically expanding our work procedures, methods, focusing on new technologies and considering the constantly increasing expectations of our customers and based on experience and information from the development centre. Our goal is to be fully independent of support during test production verification by 2025, while striving for the quality and added customer value that our customers appreciate the most.

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 August 2021, we successfully passed the fifth certification audit under this standard. We have been audited together with the environmental management systems according to ISO 14 001 and the occupational safety system according to ISO 45 001 by TÜV Nord.

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

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 and 2017 is proof of the level of advancement of our organisation. For the last time, we also competed

in 2020. This award is a confirmation of our high-quality work and sustainable performance meeting and exceeding the expectations of all stakeholders.

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. In 2021, we managed to defend awards from previous years as well as to win some new ones. 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 2021:

- National Quality Award 2020 in the most prestigious Excellence programme in the Business category;
- Zlatý středník – second place for the "Plusko" application in the Mobile application and innovation category;
- Sodexo Employer of the Year – first place in the Moravian-Silesian Region, fifth place in the Czech Republic;
- Enterprise of the Year in the Car Industry – first place in the category of companies with over 250 employees;
- Ranking among the top 25 responsible companies in the Czech Republic by the Byznys pro společnost (Business for the society) platform.

Social Responsibility



Our company is committed to social responsibility and a sustainable approach to business. That is why we were ranked among the 25 most socially responsible companies in the Czech Republic in 2021 and received the **TOP Responsible Large Company 2021** award. For the first time, we participated in the competition for the national award for corporate social responsibility in the Czech Republic, where we received the international certificate „**Committed to Sustainability 3 Stars**“. We care deeply about our employees, for whom we create a good and safe working environment, provide interesting benefits and jointly engage in many environmental, volunteer and charity projects.

Hyundai Endowment Fund

Based on the declaration of understanding between our company, government institutions and environmental associations, the „Hyundai Endowment Fund“ was established in 2006 with the main objectives of developing civil society and strengthening its participation in public affairs. The fund has CZK 20 million available, which is redistributed in open grant rounds each year among applicants submitting projects to support community events implemented mainly in the Moravian-Silesian region.

In 2021, 10 projects were supported for a total amount of CZK 1,538,411. Among this year's supported project submitters are e.g. ČSOP Salamandr, Rosteme s dětmi, z.s., Andělé Stromu života p.s., Šance podaná ruka, z.ú., Spirála Ostrava, z.ú. and others.

The Good Neighbour and Good Neighbour Together Programme

Since 2012, our company has been announcing the Good Neighbour grant programme, which aims to support interesting cultural or sports projects and to participate in the social life of the thirteen municipalities around our plant. For example, we supported the Dolní Domašovice day and the summer cinema in Nošovice.

The Good Neighbour programme includes the **Good Neighbour Together** sub-programme, under which municipalities can receive a grant to support projects focused on the environment and ecology. In 2021, the municipalities of Třanovice and Dobruška received support, which used the contribution for the „Blooming School“ project, and for the landscaping of a newly created forest park. In addition to the residents of the municipalities, our employees are also involved in the implementation of the winning projects as part of volunteer eco days.

The total amount of support for 2021 for the Good Neighbour programme and its sub-programme, Good Neighbour Together, was CZK 700,000.

The “Together” Grant Programme



The Together grant programme offers support for projects in the field of culture or sports and does not forget about children or the disabled. In the sixth year of the programme, we supported 38 projects with a total of CZK 661,900. HMMC employees can also actively participate in or support the programme. Among the successful applicants are TJ Slezan Frýdek-Místek, z.s., Beskydy dětem, z.s., TJ Sokol Svinov, Mental Café z.s., Benjamín Orlová, z.s., První SC Staré Město, z.s. and others.

The **Together for Dreams** grant programme is designed for gifted pupils or students whose financial contribution is intended to help them realise their plans in the fields of art, design, natural science or technology. We supported 4 promising student projects with CZK 100,000.

Support for Technical Education



Support for technical education is one of the main themes of corporate social responsibility. Since 2018, our car plant has supported the Hydrogen Horizon Automotive Challenge, a hydrogen-powered car model competition. The competition is the culmination of an educational programme that aims to generate greater interest among young people in technical and scientific fields and to promote new green mobility solutions. The project provided funding for 2 high schools to purchase STEM kits for the construction of fuel cell car models. Support for the programme in 2021 amounted to CZK 145,000.

Our regular activity is the **donation of pre-production cars** to technical and vocational schools. There were a total of eight vehicles in 2021, seven of which were Tucson models and in one instance, a model i30. The vehicles serve as an aid in special classrooms for teaching future mechanics, auto electricians or technicians. The total value of the donated cars was CZK 3,414,000.

We Are on the Technotrail Map



Our car plant is a new stop on the path of the Technotrail, which allows one to have exceptional experiences that remind them of the distinctive technical and craft sophistication of the region. Visitors can thus experience a journey on a visitor train through the production halls and gain insight into the production process through guided tours.

Corporate Volunteering



Despite the pandemic's difficult conditions, we managed to organise several diverse volunteer days. As part of the international volunteer Give & Gain day, we visited a nearby home for the elderly. Together with our partner ČSOP Salamandr, we organised two volunteer days to help out in nature in Beskydy. And as part of the Good Neighbour Together grant programme, we took part in two neighbourhood eco days. In total, we donated 155 hours of charitable work in 2021.

Caring for valuable meadows and pastures in the Beskydy mountains

In 2021, we entered into a partnership with the non-profit organisation ČSOP Salamandr z.s., which deals with nature conservation. Together, we are dedicated to the preservation and restoration of the original Beskydy meadows and pastures, which often belong to European sites of value. With a total of CZK 500,000, we helped preserve 49 hectares of meadows and pastures for future generations.



A good Partner to Nature and Society

Protecting the **environment and promoting biodiversity** is important to us. In addition to planting trees and shrubs, we have also placed insect houses and birdhouses on our premises, which are made from leftover wood from our production.



To celebrate Earth Day, we prepared educational campaigns for our employees on nature conservation. We also joined the national „**Let's Clean up Czechia**“ event and provided all volunteers from among our employees with protective equipment.

We are developing a circular economy. We regularly donate unwanted property, such as decommissioned monitors, to **the Salvation Army**. Unusable materials that would have ended up in landfills were used to make new items, such as wallets made from car belts or bags made from banners.

We contributed CZK 5,000,000 to the South Moravian municipalities that were hit by the tornado at the end of June. This amount was increased by almost CZK 100,000 by the employee collection „**Together for Moravia**“. Additionally, we also supported the aid to South Moravia by lending three i30 cars to the organisation People in Need, which is coordinating aid to the affected municipalities on the ground.

In 2021, we became partners of the **FC Baník Ostrava Academy** and organised the first year of the U9 Hyundai Cup tournament, which was also attended by children of our employees under the supervision of certified Baník coaches. The total amount of support was CZK 2,500,000.

We are partners of the **FM CITY FEST** music festival. After two years we helped the whole town of Frýdek-Místek to dance again. The financial contribution of CZK 1,000,000 helped the organisers to provide an interesting programme for all ages.

As part of our promotion of sport and a healthy lifestyle, we organised the **Hyundai Around the World** event. The event had a charitable overlap, so we supported the social enterprise Botumy with CZK 52,222, which corresponded to the number of kilometres completed via sports. In addition, we also organised an employee fundraiser for the same organisation.

Every year we prepare **family visits** to the families of our employees. From June until the end of September, the families of employees had the opportunity to get to know the company up close, enjoy a festive Korean dinner and meet company management.

Supporting motorsports and road safety



Every year we also donate vehicles from our production to **vehicle testing facilities and driving ranges** as teaching aids for training and safe driving practice. This year our cars headed to the tracks in Most and Hradec Králové.

In 2021, we partnered with the **Janík Motorsport racing team**, to whom we gave two i30 N sports cars. They will be available for viewing at racing circuits in the Czech Republic and fans of motorsports will also have the opportunity to try the vehicles out.

Christmas Charity at HMMC

In 2021, for the first time, we organised a charity advent market, where non-profit organisations and protected workshops from the area around our company offered their goods. All proceeds from the sales will be used to support their services for people with mental illnesses or intellectual disabilities, the elderly and the handicapped. With this event we supported the world day of generosity and good deeds **Giving Tuesday**.

The market included creative workshops for our employees, where they could make Christmas candles.

Diversity Charter



At Nošovice, we place emphasis on innovation, technological maturity and sustainable development. Diversity of individuals and cultures, tolerance and equal opportunities positively influence our thinking and are a source of inspiration for us. We see the signing of the European **Diversity Charter** as a confirmation of our respect for differences and a commitment to continue to actively build a corporate culture that is professionally open to everyone regardless of their gender, race, colour, religion or sexual orientation. In 2021, we provided the same conditions for our employees from the LGBT community as everyone else. In the case of a registered partnership, the employee is entitled to days off for a common wedding, also in the case of a funeral upon the death of a partner, or the birth of a child. We now also provide time off work when accompanying a partner or child to a medical facility. We have also resolved the conditions for providing a benefit allowance for weddings and registered partnerships, as well as for the birth of a child.



Goals and Forecasts for 2022



2022 will also be affected by the COVID-19 pandemic, and it is not clear as of the date of the preparation of this annual report how significant the impact will be. However, we expect that the situation in the semiconductor market will gradually improve and we will be able to increase our annual production volume to pre-pandemic levels.



We do not plan to launch any new models in year 2022, but we have already started preparations for the production of the new models that will be launched in 2023. We will be placing strong focus on activities related to the transition to carbon neutrality. This is the first year that we will be using only electricity from renewable sources. At the same time, we will begin preparatory work on generating our own electricity from photovoltaic panels, and other energy-saving projects will get underway. We will also continue to focus on improving the working environment, this year in particular we will be substantially renovating the office space.

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 2021



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

23 February 2022

Statutory executive of the reporting entity

Handwritten signature of Cheolseung Baek.

Cheolseung Baek
Statutory Executive

Balance sheet full version

As of 31. 12. 2021 (in CZK thousand)

	31. 12. 2021			Corrected data
	Gross	Adjustment	Net	Net
TOTAL ASSETS	112 228 778	29 742 414	82 486 364	79 666 250
B. Fixed assets	43 723 431	29 291 730	14 431 701	16 493 579
<i>B.I. Intangible fixed assets</i>	511 584	400 113	111 471	102 298
<i>B.I.2. Valuable rights</i>	460 866	400 113	60 753	50 669
<i>B.I.2.1. Software</i>	460 866	400 113	60 753	50 669
<i>B.I.4. Other intangible fixed assets</i>	46 557		46 557	50 493
<i>B.I.5. Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	4 161		4 161	1 136
<i>B.I.5.2. Intangible fixed assets under construction</i>	4 161		4 161	1 136
<i>B.II. Tangible fixed assets</i>	42 873 751	28 891 617	13 982 134	16 391 281
<i>B.II.1. Land and structures</i>	8 993 707	3 625 159	5 368 548	5 626 277
<i>B.II.1.1. Land</i>	165 653		165 653	167 511
<i>B.II.1.2. Structures</i>	8 828 054	3 625 159	5 202 895	5 458 766
<i>B.II.2. Tangible movable assets and sets of tangible movable assets</i>	33 832 853	25 266 458	8 566 395	10 604 910
<i>B.II.5. Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	47 191		47 191	160 094
<i>B.II.5.1. Prepayments for tangible fixed assets</i>	11 238		11 238	40 420
<i>B.II.5.2. Tangible fixed assets under construction</i>	35 953		35 953	119 674
<i>B.III. Non-current financial assets</i>	338 096		338 096	
<i>B.III.2. Loans and borrowings - controlled or controlling entity</i>	338 096		338 096	
C. Current assets	68 505 347	450 684	68 054 663	63 172 671
<i>C.I. Inventories</i>	6 848 854	450 684	6 398 170	4 348 666
<i>C.I.1. Material</i>	3 617 983	335 654	3 282 329	2 391 848
<i>C.I.2. Work in progress and semifinished goods</i>	2 063 598	81 621	1 981 977	757 735
<i>C.I.3. Products and goods</i>	861 547	33 409	828 138	1 199 083
<i>C.I.3.1. Products</i>	861 547	33 409	828 138	1 199 083
<i>C.I.5. Prepayments for inventories</i>	305 726		305 726	
<i>C.II. Receivables</i>	26 945 112		26 945 112	31 754 132
<i>C.II.1. Long-term receivables</i>	1 348 061		1 348 061	1 142 124
<i>C.II.1.4. Deferred tax asset</i>	1 348 061		1 348 061	1 142 124
<i>C.II.2. Short-term receivables</i>	25 393 211		25 393 211	30 397 115
<i>C.II.2.1. Trade receivables</i>	19 946 930		19 946 930	23 225 258
<i>C.II.2.2. Receivables - controlled or controlling entity</i>	2 684 880		2 684 880	3 191 392
<i>C.II.2.4. Receivables - other</i>	2 761 401		2 761 401	3 980 465
<i>C.II.2.4.3. State - tax receivables</i>	2 667 734		2 667 734	3 625 358
<i>C.II.2.4.4. Short-term prepayments made</i>	27 892		27 892	58 768

C.II.2.4.6.	Sundry receivables	65 775	65 775	296 339
C.II.3.	Other assets	203 840	203 840	214 893
C.II.3.1.	Deferred expenses	41 352	41 352	28 473
C.II.3.2.	Complex deferred expenses	130 247	130 247	163 348
C.II.3.3.	Accrued income	32 241	32 241	23 072
C.IV.	Cash	34 711 381	34 711 381	27 069 873
C.IV.1.	Cash on hand	64	64	63
C.IV.2.	Cash at bank	34 711 317	34 711 317	27 069 810

	Corrected data	
	31. 12. 2021	31. 12. 2020
TOTAL LIABILITIES & EQUITY	82 486 364	79 666 250
A. Equity	47 894 970	42 071 167
<i>A.I. Share capital</i>	13 901 000	13 901 000
<i>A.I.1. Share capital</i>	13 901 000	13 901 000
<i>A.IV. Retained earnings (+/-)</i>	25 085 877	24 808 227
<i>A.IV.1. Accumulated profits or losses brought forward (+/-)</i>	27 794 687	26 676 074
<i>A.IV.2. Other profit or loss from prior years (+/-)</i>	-2 708 810	-1 867 847
<i>A.V. Profit or loss for the current period (+/-)</i>	8 908 093	3 361 940
B.+C. Liabilities	34 591 394	37 595 083
B. Reserves	9 725 294	9 876 126
<i>B.IV. Other reserves</i>	9 725 294	9 876 126
C. Payables	24 866 100	27 718 957
<i>C.I. Long-term payables</i>	5 717 800	11 285 350
<i>C.I.2. Payables to credit institutions</i>	5 717 800	11 285 350
<i>C.II. Short-term payables</i>	19 118 377	16 394 833
<i>C.II.2. Payables to credit institutions</i>	5 562 874	
<i>C.II.3. Short-term prepayments received</i>	558 184	146 607
<i>C.II.4. Trade payables</i>	10 969 810	12 796 370
<i>C.II.8. Other payables</i>	2 027 509	3 451 856
<i>C.II.8.3. Payables to employees</i>	105 005	82 747
<i>C.II.8.4. Social security and health insurance payables</i>	61 591	51 782
<i>C.II.8.5. State - tax payables and subsidies</i>	984 138	70 462
<i>C.II.8.6. Estimated payables</i>	867 160	3 242 435
<i>C.II.8.7. Sundry payables</i>	9 615	4 430
<i>C.III. Other liabilities</i>	29 923	38 774
<i>C.III.2. Deferred income</i>	29 923	38 774

Profit and loss account structured by the nature of expense method

Year ended 31. 12. 2021 (in CZK thousand)

		Corrected data	
	Year ended	Year ended	
	31. 12. 2021	31. 12. 2020	
I.	Sales of products and services	140 423 137	113 963 498
A.	Purchased consumables and services	120 242 117	101 991 214
A.2.	Consumed material and energy	114 114 478	93 727 022
A.3.	Services	6 127 639	8 264 192
B.	Change in internally produced inventory (+/-)	-961 792	72 010
D.	Staff costs	2 205 621	2 041 612
D.1.	Payroll costs	1 577 497	1 465 556
D.2.	Social security and health insurance costs and other charges	628 124	576 056
D.2.1.	Social security and health insurance costs	522 726	490 014
D.2.2.	Other charges	105 398	86 042
E.	Adjustments to values in operating activities	4 160 316	3 474 635
E.1.	Adjustments to values of intangible and tangible fixed assets	4 003 540	3 428 596
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	3 451 841	3 428 596
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	551 699	
E.2.	Adjustments to values of inventories	156 776	46 039
III.	Other operating income	6 933 748	4 360 899
III.1.	Sales of fixed assets	47 821	11 924
III.2.	Sales of material	5 930 011	3 893 542
III.3.	Sundry operating income	955 916	455 433
F.	Other operating expenses	9 472 571	6 870 392
F.1.	Net book value of sold fixed assets	46 795	16 948
F.2.	Material sold	6 569 776	3 990 163
F.3.	Taxes and charges	20 330	20 045
F.4.	Reserves relating to operating activities and complex deferred expenses	-117 731	543 475
F.5.	Sundry operating expenses	2 953 401	2 299 761
*	Operating profit or loss (+/-)	12 238 052	3 874 534
VI.	Interest income and similar income	222 459	274 598
VI.1.	Interest income and similar income - controlled or controlling entity	216 557	171 689
VI.2.	Other interest income and similar income	5 902	102 909
J.	Interest expenses and similar expenses	86 462	47 031
J.2.	Other interest expenses and similar expenses	86 462	47 031
VII.	Other financial income	3 363 499	4 843 437
K.	Other financial expenses	4 700 296	4 816 753
*	Financial profit or loss (+/-)	-1 200 800	254 251
**	Profit or loss before tax (+/-)	11 037 252	4 128 785
L.	Income tax	2 129 159	766 845
L.1.	Due income tax	2 335 096	979 941

L.2.	Deferred income tax (+/-)	-205 937	-213 096
**	Profit or loss net of tax (+/-)	8 908 093	3 361 940
***	Profit or loss for the current period (+/-)	8 908 093	3 361 940
*	Net turnover for the current period	150 942 843	123 442 432

Cash flow statement

Year ended 31. 12. 2021 (in CZK thousand)

		Corrected data	
	Year ended	Year ended	
	31. 12. 2021	31. 12. 2020	
P.	Opening balance of cash and cash equivalents	27 069 873	33 360 545
	Cash flows from ordinary activities (operating activities)		
Z.	Profit or loss before tax	11 037 252	4 128 785
A.1.	Adjustments for non-cash transactions	3 483 599	2 132 011
A.1.1.	Depreciation of fixed assets	3 451 841	3 428 596
A.1.2.	Change in provisions and reserves	590 744	589 513
A.1.3.	Profit/(loss) on the sale of fixed assets	-1 026	5 024
A.1.5.	Interest expense and interest income	-135 997	-227 567
A.1.6.	Adjustments for other non-cash transactions	-421 963	-1 663 555
A.*	Net operating cash flow before changes in working capital	14 520 851	6 260 796
A.2.	Change in working capital	-1 939 948	-3 442 908
A.2.1.	Change in operating receivables and other assets	5 212 595	-12 363 815
A.2.2.	Change in operating payables and other liabilities	-4 945 290	7 879 984
A.2.3.	Change in inventories	-2 207 253	1 040 923
A.**	Net cash flow from operations before tax	12 580 903	2 817 888
A.3.	Interest paid	-86 462	-47 031
A.4.	Interest received	221 272	290 599
A.5.	Income tax paid from ordinary operations	-547 291	-1 549 582
A.***	Net operating cash flows	12 168 422	1 511 874
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	-2 073 122	-4 845 550
B.2.	Proceeds from fixed assets sold	47 821	11 924
B.3.	Loans and borrowings to related parties		-2 968 920
B.***	Net investment cash flows	-2 025 301	-7 802 546
	Cash flow from financial activities		
C.1.	Change in payables from financing	582 677	
C.2.	Impact of changes in equity	-3 084 290	
C.2.6.	Profit shares/ dividends paid	-3 084 290	
C.***	Net financial cash flows	-2 501 613	
F.	Net increase or decrease in cash and cash equivalents	7 641 508	-6 290 672
R.	Closing balance of cash and cash equivalents	34 711 381	27 069 873



Notes to the Financial Statements

For the Year Ended 31 December 2021 (in CZK thousand)

1. General Information and Principal Activities

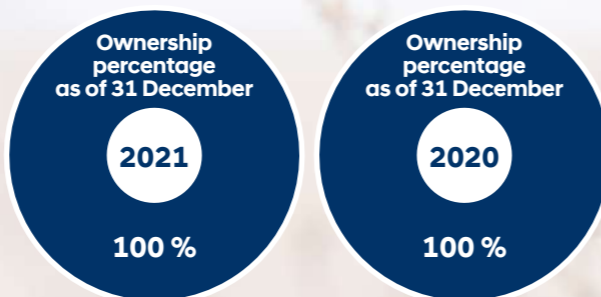
Incorporation and Description of the Business

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 2021, 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



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 2021

Statutory executive	Proxy
Cheolseung Baek	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 2021:

On 8 February 2021, a change of the statutory executive was recorded to the Register of Companies; Donghwan Yang was removed and replaced by Cheolseung Baek. The termination and the appointment took effect as of 1 January 2021.

The proxy, Jin Park was replaced in the office by Sangchul Lee on 9 April 2021.

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, trans-

action 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 2021, the Company considered the impacts of COVID-19. The impacts are not material and do not impose a risk to the going concern assumption.

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. Tangible fixed assets at the acquisition cost of less than CZK 10 thousand and intangible fixed assets at the acquisition cost of less than CZK 10 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

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 re-training 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 '000)	
	31 Dec 2021	31 Dec 2020
Cash on hand and cash in transit	64	63
Cash at bank	34 711 317	27 069 810
Total cash and cash equivalents	34 711 381	27 069 873

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 '000)			
	Software	Other intangible fixed assets	Intangible FA under construction	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

	(CZK '000)			
	Software	Other intangible fixed assets	Intangible FA under construction	Total
Cost				
Balance at 1 Jan 2020	415 366	32 933	2 205	450 504
Additions	17 867	25 484	16 798	60 149
Transfers	188	--	--	188
Disposals	89	7 924	17 867	25 880
Balance at 31 Dec 2020	433 332	50 493	1 136	484 961
Accumulated amortisation				
Balance at 1 Jan 2020	365 625	--	--	365 625
Amortisation	17 054	--	--	17 054
Transfers	73	--	--	73
Accumulated amortisation to disposals	89	--	--	89
Balance at 31 Dec 2020	382 663	--	--	382 663
Net book value at 1 Jan 2020	49 741	32 933	2 205	84 879
Net book value at 31 Dec 2020	50 669	50 493	1 136	102 298

In respect of software, the Company continued to modernise its information systems, primarily in assurance of production quality, during the years ended 31 December 2021 and 2020.



b) Tangible Fixed Assets

(CZK '000)

	Land	Buildings	Individual movable assets	Tangible FA under construction	Prepayments	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

(CZK '000)

	Land	Buildings	Individual movable assets	Tangible FA under construction	Prepayments	Total
Cost						
Balance at 1 Jan 2020	167 511	8 746 184	27 647 623	1 567 636	97 879	38 226 833
Additions	--	53 798	5 322 912	3 928 748	286 591	9 592 049
Transfers	--	--	-188	--	--	-188
Disposals	--	--	569 425	5 376 710	344 050	6 290 185
Balance at 31 Dec 2020	167 511	8 799 982	32 400 922	119 674	40 420	41 528 509
Accumulated depreciation						
Balance at 1 Jan 2020	--	3 049 919	19 228 178	--	--	22 278 097
Depreciation	--	291 297	3 120 245	--	--	3 411 542
Transfers	--	--	-73	--	--	-73
Accumulated depreciation to disposals	--	--	552 338	--	--	552 338
Balance at 31 Dec 2020	--	3 341 216	21 796 012	--	--	25 137 228
Net book value at 1 Jan 2020	167 511	5 696 265	8 419 445	1 567 636	97 879	15 948 736
Net book value at 31 Dec 2020	167 511	5 458 766	10 604 910	119 674	40 420	16 391 281

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.

In the year ended 31 December 2020, additions to movable fixed assets largely related to the launch of production of Hyundai Kona Electric and the fourth-generation Hyundai Tucson. The additions included machinery equipment in the amount of CZK 352,931 thousand (Kona) and CZK 308,867 thousand (Tucson), press moulds for metal component parts in the amount of CZK 242,515 thousand (Kona) and CZK 309,633 thousand (Tucson) and moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 998,524 thousand (Kona) and CZK 2,166,448 thousand (Tucson). The Company also purchased moulds for the production of component parts placed at the suppliers of the components in the amount of CZK 537,510 thousand relating to the production of Hyundai i30. In the year ended 31 December 2020, machinery equipment in the amount of CZK 131,132 thousand and press moulds for metal component parts in the amount of CZK 287,441 thousand were phased out. These disposals largely relate to the end of production of the third-generation Hyundai Tucson model.

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 3,266,818 thousand (2020: CZK 2,337,273 thousand) and inventory of spare parts for production equipment of CZK 351,165 thousand (2020: CZK 341,948 thousand). The provision against production

material amounts to CZK 77,659 thousand (2020: CZK 50,482 thousand) and against spare parts to CZK 257,995 thousand (2020: CZK 236,891 thousand) as of the balance sheet date.

5. Trade Receivables and Payables

Overdue short-term trade receivables amount to CZK 406,497 thousand (2020: CZK 480,773 thousand).

Overdue short-term trade payables amount to CZK 26,852 thousand (2020: CZK 15,434 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 1,179,061 thousand (2020: CZK 1,149,971 thousand) and the sum of VAT not yet sought to be refunded of CZK 1,488,673 thousand (2020: CZK 1,608,812 thousand). In 2020, the receivable also included the prepayments for corporate income tax net of the tax payable in the amount of CZK 866,575 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 2,735 thousand (2020: CZK 119,332 thousand) and the sum of VAT not yet sought to be refunded amounts to CZK 61,980 thousand (2020: CZK 177,350 thousand).

8. Share Capital

As of 31 December 2021, the share capital consisted of the investment of the sole owner. The share capital was fully paid as of 31 December 2021.

9. Statement of Changes in Equity

(CZK '000)

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

(CZK '000)

2020	Share capital	Other profit or loss from prior years	Accumulated profit	Profit for the period	Total
Balance at 31 Dec 2019 - original	13 901 000	-531 778	19 289 572	7 386 502	40 045 296
Impact of APA correction for 2019	--	--	--	-1 336 069	-1 336 069
Balance at 1 Jan 2020 - corrected	13 901 000	-531 778	19 289 572	6 050 433	38 709 227
Allocation to funds, allocation of profit/loss	--	--	7 386 502	-7 386 502	--
Transfer of APA correction for 2019	--	-1 336 069	--	1 336 069	--
Payment of profit shares	--	--	--	--	--
Profit for 2020	--	--	--	4 202 903	4 202 903
Balance at 31 Dec 2020 - original	13 901 000	-1 867 847	26 676 074	4 202 903	42 912 130
Impact of APA correction for 2020	--	--	--	-840 963	-840 963
Balance at 31 Dec 2020 - corrected	13 901 000	-1 867 847	26 676 074	3 361 940	42 071 167

Note 28 of the financial statements includes additional information and the reason for other profit or loss from prior years.

10. Reserves

(CZK '000)

Reserves	Balance at 31 Dec 2021	Balance at 31 Dec 2020
For outstanding vacation days	22 386	22 437
For warranty repairs	9 702 908	9 853 689
Total	9 725 294	9 876 126

11. Estimated Payables

Estimated payables recognised in the balance sheet include unbilled supplies of material of CZK 152,962 thousand (2020: CZK 2,613,366 thousand), unbilled supplies of consumed energy and other costs of CZK 711,162 thousand (2020: CZK 451,291 thousand) and unbilled supplies for the acquisition of tangible fixed assets in the amount of CZK 3,036 thousand (2020: CZK 177,778 thousand).



12. Bank Loans

Long-Term Loans

(CZK '000)

	Currency	Balance at 31 Dec 2021	Balance at 31 Dec 2020	Form of collateral in 2021
Loan A	EUR	--	5 249 000	--
Loan B	EUR	5 717 800	6 036 350	--
Total		5 717 800	11 285 350	

Short-Term Loans

(CZK '000)

	Currency	Balance at 31 Dec 2021	Balance at 31 Dec 2020	Form of collateral in 2021
Loan A	EUR	4 972 000	--	--
Loan C	USD	590 874	--	--
Total		5 562 874	--	

Repayment Schedule

(CZK '000)

	2022	2023	Following periods
Loan A	4 972 000	--	--
Loan B	--	5 717 800	--
Loan C	590 874	--	--
Total	5 562 874	5 717 800	

13. Sales of Own Products and Services

(CZK '000)		
Market	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Czech Republic	5 438 977	4 705 824
EU	100 207 335	73 662 904
Other than EU countries - Europe	11 340 142	20 509 197
Other than EU countries - other	23 436 683	15 085 573
Total sales of own products and services	140 423 137	113 963 498

In 2021, 98.6% of the sales of products related to sold cars (2020: 98.3%). The remaining 1.4% (2020: 1.7%) 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 '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Consumed material	113 716 347	93 332 173
Consumed energy	398 131	394 849
Total consumed material and energy	114 114 478	93 727 022

15. Services

(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Travel expenses	1 893	8 156
Building security, cleaning and operation	294 507	245 683
Production support services	953 390	1 191 591
Service and licence fees	2 889 354	4 825 095
Hiring and support of staff	593 874	554 728
IT services and software	85 576	86 621
Transportation services	1 090 022	1 127 986
Advisory and audit services	12 595	12 942
Repairs and maintenance of buildings and equipment	128 864	133 398
Rental	34 564	34 895
Training	6 909	3 854
Other services	36 091	39 243
Total	6 127 639	8 264 192

16. Sales of Material, Sold Material

(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Sales of material to sub-suppliers	5 566 366	3 728 021
Sales of secondary raw material	363 645	165 521
Total sales of material	5 930 011	3 893 542
(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Material sold to sub-suppliers	6 206 131	3 824 642
Sold secondary raw material	363 645	165 521
Total sold material	6 569 776	3 990 163

17. Sundry Operating Income

(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Rebiling of complaint costs to suppliers	800 756	279 603
Employment support contribution	20 571	94 571
Inventory count differences	1 205	1 307
Other operating income	133 384	79 952
Total	955 916	455 433

18. Sundry Operating Expenses

(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Insurance	30 537	29 193
Costs of warranty repairs and campaigns	2 778 021	2 067 080
Inventory count differences	2 177	1 987
Other operating expenses	142 666	201 501
Total	2 953 401	2 299 761

19. Interest Income

(CZK '000)		
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Interest on provided loans	32 495	19 595
Interest on provided business loans	184 062	151 941
Interest on deposits at bank accounts	5 902	103 062
Total	222 459	274 598



20. Interest Expense

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Interest on received bank loans and overdrafts	38 896	47 031
Fees on bank account balances	47 566	--
Total	86 462	47 031

21. Other Financial Expense and Income

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Foreign exchange rate losses	4 686 226	4 807 847
Losses from revaluation of derivatives	4 688	--
Other financial expenses	9 382	8 906
Total	4 700 296	4 816 753

Other financial income in the years ended 31 December 2021 and 2020 primarily includes foreign exchange rate gains.

22. Income Tax

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Tax payable	2 335 096	979 941
Deferred tax	-205 937	-213 096
Total	2 129 159	766 845

Profit before tax and calculation of tax payable:

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Profit before tax	11 037 252	4 128 785
Anticipated tax costs (19%)	2 097 078	784 469
Non-tax expenses and income	270 862	242 673
Tax for prior periods	-32 844	-47 201
Tax payable	2 335 096	979 941

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

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Accumulated depreciation and amortisation of fixed assets	-585 374	-790 182
Provision against inventory	85 630	55 842
Reserves	1 847 805	1 876 464
Total (+ asset/ - liability)	1 348 061	1 142 124

23. Related Parties

a) Trade Receivables and Payables

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

	(CZK '000)			
	Receivables as of 31 Dec 2021	Receivables as of 31 Dec 2020	Payables as of 31 Dec 2021	Payables as of 31 Dec 2020
Hyundai Motor Company	1 606	25 886	2 181 210	4 585 295
Hyundai Motor Europe GmbH	14 209 264	19 387 292	--	--
Hyundai Rotem Company	--	--	2 472	1 829
Hyundai Engineering Czech s.r.o.	--	25	27 491	29 404
Hyundai AutoEver Corporation	--	--	305	84
Hyundai AutoEver Europe GmbH	--	--	5 706	2 559
G.I.T Co., Ltd	--	--	759	8 307
Hyundai Glovis Co. Ltd.	50 052	3 828	52 145	145 841
Hyundai Glovis Czech Republic s.r.o.	452	1 376	80 470	4 172
Glovis Europe GmbH	199	46	55 735	30 913
Glovis Slovakia, s.r.o.	--	--	897	--
Hyundai Steel Czech s.r.o.	1 342	766	252 770	231 336
Hyundai Motor CIS LLC	--	--	--	1 472
Hyundai Motor Company Italy s.r.l.	--	--	8 815	3 511
Hyundai Motor Czech s.r.o.	1 386 984	2 060 578	2 348	4 840
Hyundai Motor Deutschland GmbH	--	--	24 361	-247
Hyundai Motor Poland Sp. z o. o.	--	--	4 700	2 236
Hyundai Motor UK Ltd.	--	--	12 786	4 321
Hyundai Motor España S.L.U.	--	--	4 998	2 796
Hyundai Motor Europe Technical Center GmbH	--	127	--	--
Hyundai Motor Netherlands B.V.	--	--	2 248	2 831
Hyundai Motor France	--	--	14 393	6 395
Hyundai Motor Mfg. Rus LLC	--	37 100	--	29
Hyundai Assan Otomotive SVT A.S.	585 534	52 842	316	2 392
Hyundai Motor Company Australia Pty Ltd.	136 990	24 483	1 113	740
Hyundai Motor de Mexico, S de RL de CV	1 008 223	760 045	1 357	702
Shandong Hyundai WIA Automotive Engine Co.	--	--	4 098	28 184
HM Czech, s.r.o.	95	26	--	--
Hyundai Mobis Co. Ltd.	4 254	3 948	--	--
Shanghai Hyundai Mobis Automotive Parts Co., Ltd	--	--	--	28 498
Mobis Slovakia s.r.o.	7 668	12 135	37 840	--
Mobis Automotive Czech s.r.o.	93 015	92 883	3 673 209	4 736 200
Jiangsu Mobis Automotive Parts Co., Ltd.	--	--	13 989	--
Hyundai Transys Czech, s.r.o.	34 221	40 849	611 321	725 785
Adampol Czech s.r.o.	--	155	--	--
Kia Slovakia s.r.o.	131 666	88 085	830 816	209
Total	17 651 565	22 592 475	7 908 668	10 590 634

As of the balance sheet date, the Company reported prepayments made for the assets of Hyundai Engineering Czech s.r.o. of CZK 3,204 thousand (2020: CZK 17,333 thousand), of Hyundai AutoEver Europe GmbH of CZK 3,680 thousand (2020: CZK 12,432 thousand) and prepayments made for the material of Hyundai Glovis Co. Ltd. in the amount of CZK 305,726 thousand (2020: CZK 0 thousand).

As of the balance sheet date, estimated payables to G.I.T Co., Ltd. amount to CZK 125 thousand (2020: CZK 1,334 thousand). In 2020, estimated payables to Kia Slovakia s.r.o. amount to CZK 1,084,215 thousand, to Mobis Automotive Czech s.r.o. CZK 47,465 thousand, to Mobis Slovakia s.r.o. amount to CZK 80,430 thousand and to Hyundai Rotem Company amount to CZK 1,043 thousand.

b) Sales and Purchases

The Company's sales and purchases with the Group companies were as follows:

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Sales of products	117 885 385	91 703 312
Sales of fixed assets	4 629	--
Sales of material	1 713 828	1 125 645
Other operating income	816 333	258 914
Interest income and other financial income	216 557	191 069
Total sales	120 636 732	93 278 940

	(CZK '000)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Purchase of fixed assets	534 715	1 223 141
Purchase of material	82 681 486	67 551 944
Purchase of services	5 477 616	7 389 923
Other operating expenses	2 086 842	1 506 580
Total purchases	90 780 659	77 671 588

c) Provided loans

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 '000)				
	Currency	Balance at 31 Dec 2021	Balance at 31 Dec 2020	Interest rate as at 31 Dec 2021	Form of collateral 2021
Hyundai Truck and Bus Rus LLC	EUR	338 096	356 932	0,95%	--
Hyundai Truck & Bus (China) Co., Ltd.	EUR	2 684 880	2 834 460	0,95%	--
Total		3 022 976	3 191 392		

Repayment schedule

	(CZK '000)		
	2022	2023	Following periods
Hyundai Truck and Bus Rus LLC	--	338 096	--
Hyundai Truck & Bus (China) Co., Ltd.	2 684 880	--	--
Total	2 684 880	338 096	



d) Other transactions

In the year ended 31 December 2021, the Company paid profit share to its owner, Hyundai Motor Company in the amount of CZK 3,084,290 thousand (2020: CZK 0 thousand).

24. Employees and Managers

a) The average recalculated number of employees and managers and staff costs for the years ended 31 December 2021 and 2020:

	(CZK '000)			
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	105 395
Managers (IHOL)	7	36 417	3 945	--

	(CZK '000)			
2020	Number of employees	Payroll costs	Social security and health insurance	Social costs
Employees	2 648	1 407 603	474 721	--
Managers	22	57 953	15 293	--
Total	2 670	1 465 556	490 014	86 042
Managers (IHOL)	8	46 119	4 736	--

The Company employed 38 Korean workers (2020: 38) on average based on the International Hiring of Labour (IHOL) contract. The aggregate payroll costs amounted to CZK 139,705 thousand (2020: CZK 163,955 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 2021 and 2020 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 part of 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.

25. State – Tax Payables and Subsidies

Tax payables are represented by a payable arising from the due income tax in the amount of CZK 921,229 thousand (2020: CZK 0 thousand), the employees' income tax payments withheld by the Company of CZK 16,662 thousand (2020: CZK 19,945 thousand), road tax of CZK 5 thousand (2020: CZK 24 thousand) and subsidies of CZK 46,242 thousand (2020: CZK 50,493 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 2021, the Company received a cash grant for capital investment of CZK 15,834 thousand from the Operational Programme Enterprise and Innovation for Competitiveness based on the decision of the Ministry of Industry and Trade.

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 20,571 thousand (2020: CZK 94,571 thousand).

26. 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 25);
- Cash grant for capital investment (refer to Note 25);
- Subsidy for the creation of jobs (refer to Note 25);
- Subsidy for the training and retraining of employees (refer to Note 25); and
- Tax relief (refer to Note 25).



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.

27. Contingent Liabilities

Legal Disputes

As of 31 December 2021, 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.

28. Changes within the prior reporting period

On 14 April 2021, the competent authorities of the Czech Republic and the Republic of Korea entered into a bilateral agreement concerning the manner in which the purchase price for services with high added value is fixed that are purchased from its owner and that have a substantial effect on the overall activity and profitability of the Company. The agreement relates to taxable periods from 2015 to 2020. Based on this agreement, the Company and its owner concluded an amendment to the Agreement on Cooperation on 11 June 2021, as a result of which it was necessary to adjust the items of financial statements for 2020 the following way:

	(CZK '000)		
Balance sheet/P&L account/Cash-flow item	Prior to the adjustment	After the adjustment	Difference
C.II.2.4.3. State – tax receivables	2 989 958	3 625 358	635 400
A.IV.2. Other profit or loss from prior years (+/-)	--	-1 867 847	-1 867 847
A.V. Profit or loss from the current period (+/-)	4 202 903	3 361 940	-840 963
C.II.4. Trade payables	9 452 160	12 796 370	3 344 210
A.3. Services	7 225 966	8 264 192	1 038 226
L.1. Due income tax	1 177 204	979 941	-197 263
Z. Profit or loss before tax	5 167 011	4 128 785	-1 038 226
A.1.6. Adjustments for other non-cash transactions	642 429	-1 663 555	-2 305 984
A.2.2. Change in operating payables and other liabilities	4 535 774	7 879 984	3 344 210

29. Post Balance Sheet Date Events

On 1 February 2021, the Company drew a long-term loan in the amount of EUR 200,000,000 (CZK 4,873,000 thousand) due in 2024.

Report on Relations

of Hyundai Motor Manufacturing Czech s.r.o.,
for the Year Ended 31 December 2021



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.

Adampol SA

Hyundai Mobis Co., Ltd.

Mobis Automotive Czech s.r.o.

Mobis Automotive System Czech s.r.o.

Mobis Slovakia s.r.o.

Shanghai Hyundai Mobis Automotive Parts Co., Ltd

Jiangsu Mobis Automotive Parts Co., Ltd.

Hyundai Transys Czech, s.r.o.

Shandong Hyundai WIA Automotive Engine Company

Hyundai Kefico Corporation

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 2021, it comprised 438 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 owner of Hyundai Motor Manufacturing Czech s.r.o.



II.

List of acts performed in the latest reporting period, i.e. in the year ended 31 December 2021, 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 2020:

1. Realised Income

	Sales generated by own products	Sales of material	Other operating income	Interest income
Hyundai Motor Company	10 801	--	461 792	--
Hyundai Motor Europe GmbH	101 396 314	--	2 144	143 808
Hyundai Motor Czech s.r.o.	7 431 373	--	1 360	18 112
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	4 386 499	--	--	--
Hyundai Glovis CO. Ltd.	--	--	97 569	--
Mobis Automotive Czech s.r.o.	--	868 979	118 343	--
Hyundai Transys Czech, s.r.o.	--	409 222	10 811	--
Kia Slovakia s. r. o.	1 317 031	13 468	87 813	--

(CZK '000)

The controlled company reported sales of fixed assets to Hyundai Motor Company in the amount of CZK 2,234 thousand.

2. Realised Purchases

	Purchase of fixed assets	Purchase of material	Purchase of services	Other operating expenses
Hyundai Motor Company	7 459	1 431 932	2 979 589	--
Hyundai Motor Europe GmbH	--	--	5 844	--
Hyundai Motor Czech s.r.o.	45 148	740	--	107 461
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	--	643	--	33 575
Hyundai Glovis CO. Ltd.	--	19 271 406	349 488	--
Mobis Automotive Czech s.r.o.	222 799	37 816 832	4 523	10 425
Hyundai Transys Czech, s.r.o.	149 783	6 636 128	--	11 974
Kia Slovakia s. r. o.	--	12 377 789	--	4 087

(CZK '000)





III.

List of agreements valid between the controlling entity and the controlled entity in the latest reporting period, i.e. in the year ended 31 December 2021:

The following agreements were valid between the controlling and controlled entities in the year ended 31 December 2021:

- 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. P210609873, NX4 Welding Machinery, of 8 June 2021.

IV.

List of agreements valid between the controlled entity and other controlled entities in the latest reporting period, i.e. in the year ended 31 December 2021:

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 CIS LLC
- 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, Cheolseung Baek, 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 23 February 2022

Cheolseung Baek
Statutory executive
Hyundai Motor Manufacturing Czech s.r.o.

Auditor's Report



Deloitte.

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Tax ID. No.: CZ49620592

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 of 31 December 2021, and the profit and loss account 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 of 31 December 2021, 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.

Emphasis of Matter

We draw attention to the matter in Note 28 to the financial statements which describes the adjustment of comparable data as of 31 December 2020 made on the basis of a bilateral agreement regarding the manner in which the purchase prices from the parent company are fixed for 2015-2020. This matter does not represent a modified 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.

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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.

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 scepticism 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 23 February 2022

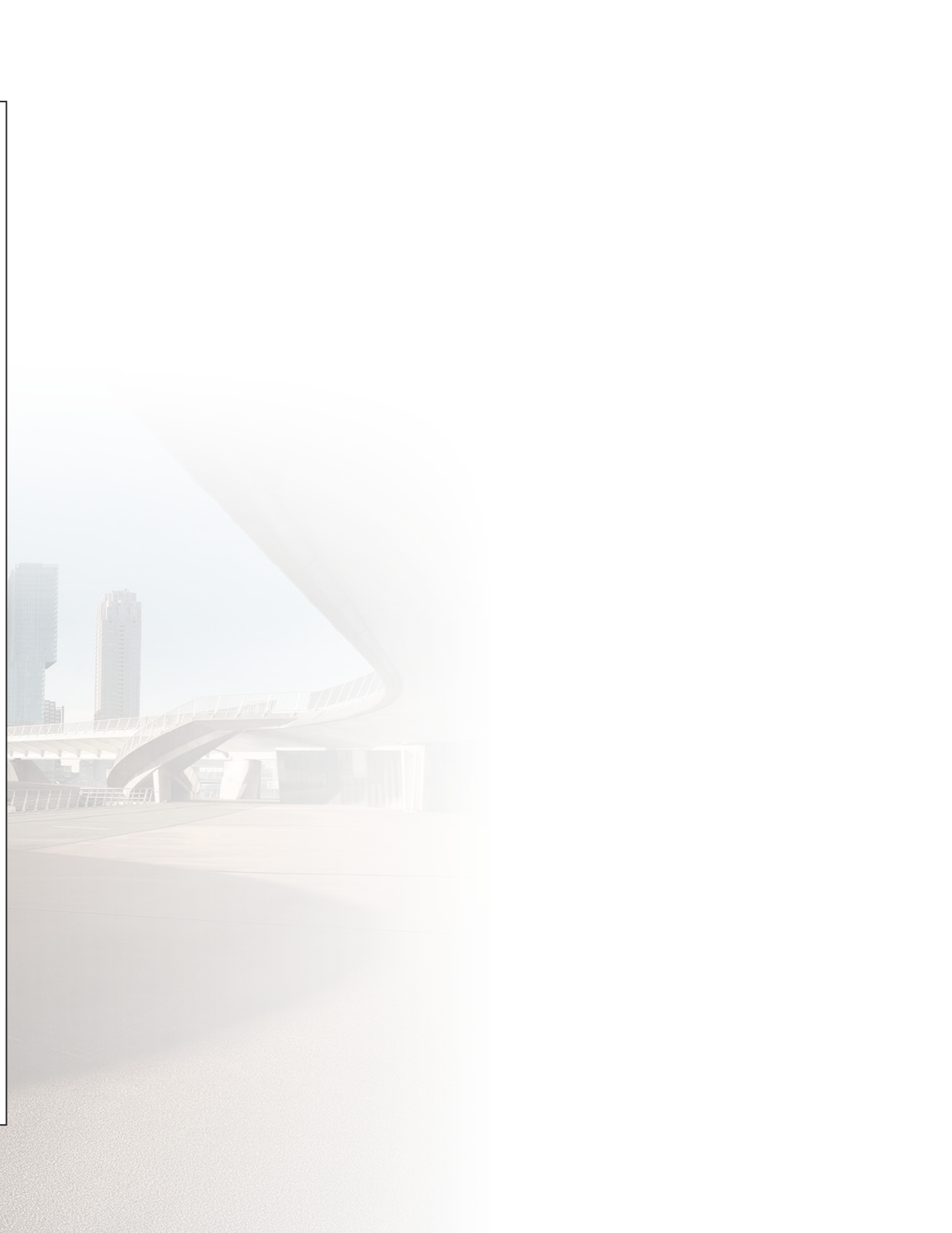
Audit firm:

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



Statutory auditor:

Petr Michalik
registration no. 2020



Hyundai Motor Manufacturing Czech s.r.o.

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