

Hyundai Corporation and Subsidiaries

Consolidated Financial Statements
December 31, 2025 and 2024

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December 31, 2025 and 2024

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Hyundai Corporation

Opinion

We have audited the consolidated financial statements of Hyundai Corporation and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hyundai Corporation and its subsidiaries as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Occurrence of revenue from merchandise

(a) Reason why the matter was determined to be a Key Audit Matter

As described in Note 28 to the consolidated financial statements, revenue from merchandise, which approximately accounts for 95% of the total revenue of the Group, arises from various customers and contract conditions. Accordingly, there is a potential risk that the revenue recognition may not be appropriate. Therefore, we focused on this area because we determined that there is a significant risk in relation to occurrence of revenue from merchandise.

(b) How our audit addressed the Key Audit Matter

We have performed the following audit procedures to address the Key Audit Matter.

- We obtained understanding and assessed the revenue recognition process and the Group's accounting policies related to revenue from the sale of goods
- We reviewed the contracts by type of revenue related to the revenue from the sale of goods
- We examined supporting documents, on a sample basis, to substantively test sales and purchases at transaction level
- We checked confirmations for sampled customers with sales of goods, and performed alternative procedures for non-responsive customers

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Korean Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Seung-il Shin, Certified Public Accountant.

Samil PricewaterhouseCoopers

Seoul, Korea
March 20, 2026

This report is effective as of March 20, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Hyundai Corporation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

(in Korean won)	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	4,7,9	₩ 215,525,255,096	₩ 303,040,893,151
Short-term financial instruments	4,7	2,192,776,240	11,820,000,000
Financial assets at fair value through profit or loss	4,5,7,11	294,837,690	1,833,400
Trade receivables	4,7,8,10,36	1,169,898,756,889	996,913,164,031
Inventories	13	315,273,442,743	266,194,275,333
Derivative financial assets	4,5,7,12	5,196,197,772	11,021,329,803
Current portion of finance lease receivables	7,18,36	452,369,274	429,553,695
Current portion of Long-term loan receivables	7	250,288,000	-
Other current receivables	4,7,10,16,36	29,531,612,698	21,558,596,017
Current tax assets		2,446,211,333	-
Other current assets	14,36	115,446,590,128	67,458,364,392
		<u>1,856,508,337,863</u>	<u>1,678,438,009,822</u>
Non-current assets			
Long-term financial instruments	7	19,000,000	19,000,000
Financial assets at fair value through profit or loss	4,5,7,11	14,987,010,845	14,874,275,266
Financial assets at fair value through other comprehensive income	4,5,7,11,16	33,585,900,207	47,482,822,991
Other financial assets	7	208,435,948	249,032,680
Investments in joint ventures and associates	15,16,37	150,629,306,649	182,110,748,732
Long-term loan receivables	4,7,16,36	10,688,350,668	17,356,441,047
Investments in resource development projects	4,7,16,36	11,284,121,665	17,356,829,307
Property, plant and equipment	17	144,756,631,372	41,882,613,222
Investment properties	19	27,434,530,535	12,768,494,661
Right-of-use assets	18,36	16,573,304,164	13,717,883,919
Intangible assets	20,37	31,154,583,247	9,495,380,407
Deferred tax assets	25	14,887,350,683	523,658,282
Non-current derivative financial assets	4,5,7,12	-	4,535,917,729
Non-current finance lease receivables	7,18,36	911,130,252	1,279,860,097
Net defined benefit assets	23	1,582,395,363	-
Other non-current receivables	4,7,10	8,384,524,978	13,429,142,569
Other non-current assets	14,36	1,115,919,725	6,789,073,700
		<u>468,202,496,301</u>	<u>383,871,174,609</u>
Total Assets		<u>₩ 2,324,710,834,164</u>	<u>₩ 2,062,309,184,431</u>
Liabilities			
Current liabilities			
Trade payables	4,7,36	₩ 505,502,656,120	₩ 661,839,671,640
Other payables	4,7,36	47,231,372,376	52,509,388,183
Advances from customers	36	143,658,938,535	118,197,975,167
Short-term borrowings	4,7,8,22,34	682,778,303,114	320,984,753,065
Current portion of long-term borrowings	4,7,22,34	54,938,637,152	986,971,323
Current portion of long-term debentures	4,7,22,34	39,978,342,578	-
Current portion of provisions	4,24,35	229,801,604	408,926
Current tax liabilities		7,313,063,908	18,174,181,366
Derivative financial liabilities	4,5,7,12	2,663,837,597	14,568,498,000
Current portion of lease liabilities	4,7,18,34	6,648,153,391	4,989,992,251
Other current payables	7,21,36	23,452,519,422	9,877,237,225
		<u>1,514,395,625,797</u>	<u>1,202,129,077,146</u>
Non-current liabilities			
Long-term other payables	4,7	178,366,056	21,978,586
Debentures	4,7,22,34	59,921,494,388	99,711,470,460
Long-term borrowings	4,7,22,34	17,775,972,526	72,429,152,607
Net defined benefit liabilities	23	2,851,219,379	154,135,691
Provisions	4,24,35	295,796,142	806,505,339
Deferred tax liabilities	25	3,178,387,978	20,317,738,883
Non-current lease liabilities	4,7,18,34	11,738,953,132	10,639,379,038
Derivative financial liabilities	4,5,7,12	-	334,384,325
Other non-current payables	7,21,34	19,578,543,489	438,128,133
		<u>115,518,733,090</u>	<u>204,852,873,062</u>
Total Liabilities		<u>1,629,914,358,887</u>	<u>1,406,981,950,208</u>
Equity			
Issued capital	1	66,144,830,000	66,144,830,000
Other components of equity	26	(282,139,893,304)	(282,140,365,887)
Accumulated other comprehensive income	26	69,658,234,767	106,592,130,431
Retained earnings	27	839,015,729,405	761,379,686,183
Equity attributable to owners of the Parent		<u>692,678,900,868</u>	<u>651,976,280,727</u>
Non-controlling interests		<u>2,117,574,409</u>	<u>3,350,953,496</u>
Total Equity		<u>694,796,475,277</u>	<u>655,327,234,223</u>
Total Equity and Liabilities		<u>₩ 2,324,710,834,164</u>	<u>₩ 2,062,309,184,431</u>

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

Hyundai Corporation and Subsidiaries
Consolidated Income Statements
Years Ended December 31, 2025 and 2024

<i>(in Korean won)</i>	Notes	2025	2024
Revenue	6,16,28,36 ₩	7,554,286,077,242 ₩	6,995,662,947,758
Cost of sales	13,16,28,29,36	<u>(7,266,626,161,073)</u>	<u>(6,747,199,617,682)</u>
Gross profit		287,659,916,169	248,463,330,076
Selling and administrative expenses	29,30	<u>(147,528,604,618)</u>	<u>(114,934,038,591)</u>
Operating income	6	140,131,311,551	133,529,291,485
Other income	7,19,31	193,126,399,644	281,920,396,605
Other expenses	7,19,31	(229,939,620,688)	(261,334,643,098)
Profits of associates and joint ventures accounted for using equity method	15,16	5,636,619,152	5,989,544,914
Finance income	7,32	50,282,622,837	50,149,474,093
Finance costs	7,32	<u>(83,981,956,102)</u>	<u>(57,800,033,087)</u>
Profit before tax		75,255,376,394	152,454,030,912
Income tax income (expense)	25	<u>11,529,428,306</u>	<u>(31,478,968,021)</u>
Profit		<u>₩ 86,784,804,700</u>	<u>₩ 120,975,062,891</u>
Profit (loss) attributable to:			
Owners of the Parent		₩ 86,795,109,527	₩ 121,067,859,024
Non-controlling interests		<u>(10,304,827)</u>	<u>(92,796,133)</u>
		<u>₩ 86,784,804,700</u>	<u>₩ 120,975,062,891</u>
Earnings per share attributable to the Owners of the Parent			
Basic earnings per share	33 ₩	7,226 ₩	10,080

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

Hyundai Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025 and 2024

(in Korean won)

	Notes	2025	2024
Profit		₩ 86,784,804,700	₩ 120,975,062,891
Other comprehensive income (loss)			
<i>Other comprehensive income, net of tax, that will not be reclassified to profit or loss</i>			
Losses on remeasurements of net defined benefit liabilities	23	(750,007,251)	(2,272,204,502)
Losses on valuation of financial assets at fair value through other comprehensive income	5,7,11	(10,533,867,444)	(6,171,405,130)
Revaluation surplus		-	2,017,174,922
Share of other comprehensive loss of associates and joint ventures	15	(24,326,390,534)	(47,585,180,213)
Share of changes in retained earnings of associates and joint ventures		(1,382,860)	-
<i>Other comprehensive income, net of tax, that will be reclassified to profit or loss</i>			
Share of other comprehensive loss of associates and joint ventures	15	(1,011,078,057)	(7,988,386,437)
Gains on valuation of derivative instruments		283,849,884	451,694,688
Exchange differences on translation of foreign operations		(1,464,812,863)	22,462,538,977
Other comprehensive loss, net of tax		(37,803,689,125)	(39,085,767,695)
Total comprehensive income		₩ 48,981,115,575	₩ 81,889,295,196
Total comprehensive income (loss) attributable to:			
Owners of the Parent		₩ 49,109,823,752	₩ 81,815,919,621
Non-controlling interests		(128,708,177)	73,375,575
		₩ 48,981,115,575	₩ 81,889,295,196

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

Hyundai Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2025 and 2024

(in Korean won)

	Attributable to owners of the Parent							
	Note	Issued capital	Other components of equity	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	Total Equity
Balance at January 1, 2024		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 143,571,865,332	₩ 649,790,611,261	₩ 577,966,940,706	₩ 3,277,577,921	₩ 580,644,518,627
Total comprehensive income		-	-	-	121,067,859,024	121,067,859,024	(92,796,133)	120,975,062,891
Profit (loss)		-	-	-	121,067,859,024	-	-	-
Other comprehensive income (loss), net of tax		-	-	(6,171,405,130)	-	(6,171,405,130)	-	(6,171,405,130)
Losses on valuation of financial assets at fair value through other comprehensive income		-	-	2,017,174,922	-	2,017,174,922	-	2,017,174,922
Revaluation surplus		-	-	(55,577,224,864)	-	(55,577,224,864)	3,658,214	(55,573,566,650)
Share of other comprehensive income (loss) of associates and joint ventures		-	-	-	(2,272,204,502)	(2,272,204,502)	-	(2,272,204,502)
Losses on remeasurements of net defined benefit liabilities		-	-	451,694,688	-	451,694,688	-	451,694,688
Gains on valuation of derivative instruments		-	-	22,300,025,483	-	22,300,025,483	162,513,494	22,462,538,977
Exchange differences on translation of foreign operations		-	-	(36,979,734,901)	(2,272,204,502)	(39,251,939,403)	166,171,708	(39,085,767,695)
Total other comprehensive income (loss)		-	-	(36,979,734,901)	118,795,654,522	81,815,919,621	73,375,575	81,889,295,196
Transactions with owners		-	-	-	(7,206,579,600)	(7,206,579,600)	-	(7,206,579,600)
Dividends paid	27	-	-	-	(7,206,579,600)	(7,206,579,600)	-	(7,206,579,600)
Total transactions with owners		-	-	-	(7,206,579,600)	(7,206,579,600)	-	(7,206,579,600)
Balance at December 31, 2024		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 106,592,130,431	₩ 761,379,686,183	₩ 651,976,280,727	₩ 3,350,953,496	₩ 655,327,234,223
Balance at January 1, 2025		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 106,592,130,431	₩ 761,379,686,183	₩ 651,976,280,727	₩ 3,350,953,496	₩ 655,327,234,223
Total comprehensive income		-	-	-	86,795,109,527	86,795,109,527	(10,304,827)	86,784,804,700
Profit (loss)		-	-	-	86,795,109,527	-	-	-
Other comprehensive income (loss), net of tax		-	-	(10,533,867,444)	-	(10,533,867,444)	-	(10,533,867,444)
Losses on valuation of financial assets at fair value through other comprehensive income		-	-	(25,334,750,322)	-	(25,334,750,322)	(2,718,269)	(25,337,468,591)
Share of other comprehensive income (loss) of associates and joint ventures		-	-	-	(1,382,860)	(1,382,860)	-	(1,382,860)
Losses on remeasurements of net defined benefit liabilities		-	-	283,849,884	(750,007,251)	(750,007,251)	-	(750,007,251)
Gains on valuation of derivative instruments		-	-	(1,349,127,782)	-	(1,349,127,782)	(115,685,081)	(283,849,884)
Exchange differences on translation of foreign operations		-	-	(36,933,895,664)	(751,390,111)	(37,685,285,775)	(118,403,350)	(37,803,689,125)
Total other comprehensive income (loss)		-	-	(36,933,895,664)	86,043,719,416	49,109,823,752	(128,708,177)	48,981,115,575
Transactions with owners		-	-	-	(8,407,676,194)	(8,407,676,194)	-	(8,407,676,194)
Dividends paid	27	-	-	-	(8,407,676,194)	(8,407,676,194)	-	(8,407,676,194)
Equity transactions with non-controlling interests		-	472,583	-	-	472,583	(1,104,670,910)	(1,104,198,327)
Total transactions with owners		-	472,583	-	(8,407,676,194)	(8,407,203,611)	(1,104,670,910)	(9,511,874,521)
Balance at December 31, 2025		₩ 66,144,830,000	₩ (282,139,893,304)	₩ 69,656,234,767	₩ 839,015,729,405	₩ 692,676,900,868	₩ 2,117,574,409	₩ 694,796,475,277

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

Hyundai Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

<i>(in Korean won)</i>	Note	2025	2024
Cash flows from (used in) operating activities			
Net cash flows from (used in) operations	34	₩ (257,234,222,951)	₩ 65,993,402,718
Profit		86,784,804,700	120,975,062,891
Adjustments		58,222,071,919	27,195,144,802
Working capital adjustments		(402,241,099,570)	(82,176,804,975)
Interest received		8,868,952,791	8,961,710,431
Interest paid		(41,754,461,406)	(30,010,157,016)
Dividends received		19,741,865,983	27,730,890,413
Income taxes paid		(24,282,347,388)	(32,133,082,185)
Cash flows from (used in) operating activities		<u>(294,660,212,971)</u>	<u>40,542,764,361</u>
Cash flows from (used in) investing activities			
Increase in short-term financial instruments		(18,400,000)	(8,782,400,000)
Decrease in short-term financial instruments		9,529,000,000	10,786,400,000
Proceeds from sales of financial assets at fair value through profit or loss		2,143,458,181	840,564,858
Proceeds from sales of financial assets at amortized cost		65,500,000	65,500,000
Collection of loan receivables		631,231,164	288,527,429
Decrease in long-term advance payments		2,669,166,720	-
Proceeds from sales of property, plant and equipment		1,728,342,116	32,040,148
Proceeds from sales of intangible assets		700,000,000	-
Proceeds from sales of investment properties		-	428,123,000,000
Proceeds from sales of investments in associates and joint ventures		735,000,000	2,400,000,000
Collection of finance lease receivables		343,508,916	309,507,963
Decrease in leasehold deposits received		(220,000,000)	-
Decrease in other non-current liabilities		-	(20,160,889,851)
Decrease in leasehold deposits provided		286,064,520	21,203,913
Increase in leasehold deposits provided		(183,285,929)	(125,840,613)
Changes in scope of consolidation		(52,746,554,995)	-
Purchases of financial assets at fair value through profit or loss		(2,509,104,885)	(5,548,989,613)
Purchases of financial assets at fair value through other comprehensive income		-	(8,541,780,000)
Increase in loan receivables		(2,725,077,032)	(1,381,452,260)
Increase in long-term advance payments		(2,732,559,430)	-
Purchase of property, plant and equipment		(21,648,700,831)	(1,465,266,140)
Purchase of intangible assets		(1,296,040,628)	(16,527,590)
Purchase of investments in associates and joint ventures		(7,358,076,795)	(88,485,372,514)
Increase in investments in resource development projects		(2,139,208,240)	(2,442,307,924)
Purchase of investment properties		(14,783,292,378)	-
Government grants received		536,184,858	-
Cash flows from (used in) investing activities		<u>(88,992,844,668)</u>	<u>305,915,917,806</u>
Cash flows from (used in) financing activities			
Repayments of current portion of long-term borrowings		(20,416,788,901)	(306,849,665,848)
Proceeds from short-term borrowings		523,747,605,809	261,037,253,376
Proceeds from long-term borrowings		23,150,069,624	20,361,648,125
Proceeds from issuing debentures		-	99,561,420,000
Government grants received		44,616,042	-
Decrease in security deposits received		(17,560,635)	(3,654,290,000)
Increase in security deposits received		243,043,512	157,750,255
Repayments of short-term borrowings		(199,850,112,561)	(322,768,134,795)
Repayments of long-term borrowings		(17,182,282,412)	(1,051,908,263)
Repayments of debentures		-	(50,000,000,000)
Payment of lease liabilities		(6,281,729,697)	(5,168,921,048)
Decrease in non-controlling interests (liabilities)		-	(36,232,551,955)
Changes in interests of subsidiaries		(1,104,670,910)	-
Dividends paid		(8,407,676,200)	(7,206,579,600)
Cash flows from (used in) financing activities		<u>293,924,513,671</u>	<u>(351,813,979,753)</u>
Decrease in cash and cash equivalents		(89,728,543,968)	(5,355,297,586)
Effects of exchange rate changes on cash and cash equivalents		2,212,905,913	10,466,113,045
Cash and cash equivalents at the beginning of period		303,040,893,151	297,930,077,692
Cash and cash equivalents at the end of period		<u>₩ 215,525,255,096</u>	<u>₩ 303,040,893,151</u>

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

Hyundai Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

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1. General Information

The consolidated financial statements include Hyundai Corporation (the “Parent Company”), and its thirty three (33) consolidated subsidiaries, including Hyundai Corp. USA (collectively referred to as the “Group”), and eighteen (18) associates and joint ventures, including PT HD INTI. DEVE., which are accounted for using the equity method.

1.1 Overview of the Parent Company

The Parent Company was established on December 8, 1976, under the Commercial Code of the Republic of Korea to primarily engage in the export and import of goods. On December 1, 1977, the Parent Company's shares were listed on the Korea Stock Exchange. The Parent Company has been designated as a general trading company by the government of the Republic of Korea since February 11, 1978. As at December 31, 2025, the Parent Company has 21 overseas branches and mainly exports vehicles, steel products, machinery, construction equipment and vessels, and plants on a deferred payment basis. The Parent Company also engages in the import and domestic sale of merchandise and resource development business, such as overseas exploration of petroleum and minerals.

The Parent Company is authorized to issue 80 million shares with a par value of ₩ 5,000 per share and its issued capital was ₩ 50 million at incorporation. As at December 31, 2025, the Parent Company has 13,228,966 ordinary shares issued and outstanding, and through several capital increases, conversions of convertible bonds and capital reductions, its issued capital amounts to ₩ 66,145 million.

The Parent Company's major shareholders and their shareholdings as at December 31, 2025, are as follows:

<i>(in shares)</i>	Number of shares	Percentage of ownership (%)
HYUNDAI CORPORATION HOLDINGS Co., Ltd.	2,882,000	21.79
KCC Corporation	1,587,475	12.00
National Pension Service	299,270	2.26
Chung Mong-hyuk	319,601	2.42
Chung Mong-seok	264,579	2.00
HL Holdings Corporation	264,579	2.00
Hyundai Home Shopping Network Corporation	132,289	1.00
Hyundai Department Store Co., Ltd.	132,289	1.00
Treasury shares	1,218,000	9.21
Others	6,128,884	46.32
	<u>13,228,966</u>	<u>100.00</u>

Hyundai Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

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1.2 Subsidiaries

Details of the consolidated subsidiaries as at December 31, 2025 and 2024, are as follows:

	Location	Ownership interest held by the Group (%)		Closing month	Main business
		2025	2024		
HYUNDAI CORP. USA	U.S.A	100.00	100.00	December	Trading
HYUNDAI AUSTRALIA PTY., LTD.	Australia	100.00	100.00	December	Trading
HYUNDAI JAPAN CO., LTD.	Japan	100.00	100.00	December	Trading
HYUNDAI CANADA INC.	Canada	100.00	100.00	December	Trading
HYUNDAI CORP. EUROPE GMBH	Germany	100.00	100.00	December	Trading
HYUNDAI CORPORATION SINGAPORE PTE. LTD.	Singapore	100.00	100.00	December	Trading
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.	China	100.00	100.00	December	Trading
POS-HYUNDAI STEEL MFG. (I) PVT. LTD. ¹²	India	100.00	94.00	March	Manufacture of steel
HYUNDAI RENEWABLE LAB	Korea	100.00	100.00	December	Photovoltaic power generation
HYUNDAI PLATFORM CORP ³	U.S.A	100.00	100.00	December	Transport and Installation
HYUNDAI RENEWABLE LAB JAPAN ¹	Japan	100.00	100.00	December	Photovoltaic power generation
HYUNDAI ONE EUROPE GMBH ³	Germany	100.00	100.00	December	Transport
HYUNDAI FUELS PTE. LTD. ²	Singapore	100.00	100.00	December	Trading
HYUNDAI ONE ASIA PTE. LTD. ²	Singapore	100.00	100.00	December	Trading
SHANGHAI ONE ASIA LOGISTICS CO., LTD ³	China	100.00	100.00	December	Transport
HANOI ONE ASIA LOGISTICS ³	Vietnam	80.00	80.00	December	Transport
HYUNDAI RENEWABLE LAB MIMASAKA ¹	Japan	100.00	100.00	December	Photovoltaic power generation
HYUNDAI NAVIS CO., LTD.	Korea	100.00	100.00	December	Transport
HYUNDAI RENEWABLE LAB YUMESAKI ¹	Japan	100.00	100.00	December	Photovoltaic power generation
HYUNDAI RENEWABLE LAB EHIME ¹	Japan	100.00	100.00	December	Photovoltaic power generation
PROLOGUE VENTURES INC.	Korea	81.82	81.82	December	Management consulting
PT HYUNDAI CORP INDONESIA	Indonesia	100.00	100.00	December	Trading
HYUNDAI CORPORATION ITALIA S.R.L. ⁴	Italy	100.00	100.00	December	Trading
HYUNDAI CORPORATION MEXICO, S. DE R.L. DE C.V.	Mexico	100.00	100.00	December	Trading
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD ⁵	Australia	78.72	-	December	Wholesale and distribution
HFA FINANCE PTY LTD ⁶	Australia	100.00	-	December	Wholesale and distribution
HFA DISTRIBUTORS PTY LTD ⁶	Australia	100.00	-	December	Wholesale and distribution
RENTCORP HYUNDAI FORKLIFTS PTY LTD ⁷	Australia	70.00	-	December	Wholesale and distribution
LUCINOVA Co., Ltd. ⁸	Korea	77.63	-	December	Manufacturing automobile parts
Sunyoung Korea Co.,Ltd. ^{9,10}	Korea	100.00	-	December	Manufacturing automobile parts
SIGMA(TIANJIN) AUTOMOTIVE PARTS CO.,LTD ⁹	China	100.00	-	December	Manufacturing and selling automobile parts
CINOS AUTOMOTIVE INDIA PRIVATE LTD ⁹	India	100.00	-	December	Manufacturing and selling automobile parts
Q&C CO.,LTD. ¹¹	Korea	100.00	-	December	Manufacturing automobile parts

Hyundai Corporation and Subsidiaries
Notes to the Consolidated Financial Statements
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- ¹ The subsidiary of HYUNDAI JAPAN CO., LTD.
- ² The subsidiary of HYUNDAI CORPORATION SINGAPORE PTE. LTD.
- ³ The subsidiary of HYUNDAI NAVIS CO., LTD.
- ⁴ The subsidiary of HYUNDAI CORP. EUROPE GMBH.
- ⁵ Reclassified from associate of HYUNDAI AUSTRALIA PTY., LTD. to subsidiary due to step-by-step acquisition of interests for the year ended December 31, 2025.
- ⁶ Reclassified as a subsidiary as the entity is a subsidiary of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD for the year ended December 31, 2025.
- ⁷ Newly acquired as the entity is a subsidiary of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD for the year ended December 31, 2025.
- ⁸ Newly invested for the year ended December 31, 2025, and changed the entity name from SIGMA CO.,LTD. to LUCINOVA Co., Ltd.
- ⁹ Included in the consolidation as the entity is a subsidiary of LUCINOVA Co., Ltd. for the year ended December 31, 2025.
- ¹⁰ Merged with INTEURON CO.,LTD., a subsidiary of LUCINOVA Co., Ltd. for the year ended December 31, 2025.
- ¹¹ Newly acquired as the entity is a subsidiary of LUCINOVA Co., Ltd. for the year ended December 31, 2025.
- ¹² Acquired additional non-controlling interests for the year ended December 31, 2025.

Hyundai Corporation and Subsidiaries

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December 31, 2025 and 2024

1.3 Summarized Financial Information

Summarized financial information for consolidated subsidiaries as at and for the years ended December 31, 2025 and 2024, is as follows:

(in millions of Korean won)

Subsidiary	2025						Total comprehensive income (loss)
	Assets	Liabilities	Equity	Sales	Profit (loss)		
HYUNDAI CORP. USA	₩ 221,627	₩ 96,762	₩ 124,865	₩ 703,391	₩ 25,039	₩ 22,826	
HYUNDAI CORP. EUROPE GMBH	57,669	46,237	11,432	154,066	(8)	1,057	
HYUNDAI AUSTRALIA PTY., LTD.	20,811	6,218	14,593	16,080	446	1,164	
HYUNDAI JAPAN CO., LTD.	116,131	91,217	24,914	244,444	1,621	1,059	
HYUNDAI CORPORATION SINGAPORE PTE. LTD.	240,311	222,075	18,236	721,019	4,405	4,107	
HYUNDAI ONE ASIA PTE. LTD.	23,913	12,258	11,655	44,301	1,913	1,692	
HYUNDAI CANADA INC.	130,304	98,851	31,453	247,030	6,803	7,556	
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.	144,241	133,549	10,692	278,768	3,589	3,835	
PT HYUNDAI CORP INDONESIA	850	146	704	638	96	56	
HYUNDAI CORPORATION ITALIA S.R.L.	48,529	46,091	2,438	164,036	660	855	
HYUNDAI CORPORATION MEXICO, S. DE R	86,452	83,190	3,262	144,039	794	1,113	
POS-HYUNDAI STEEL MFG. (I) PVT. LTD.	29,635	12,380	17,255	44,667	(1,428)	(2,810)	
HYUNDAI RENEWABLE LAB	5,944	890	5,054	972	415	415	
HYUNDAI FUELS PTE. LTD.	181,795	136,811	44,984	1,554,473	5,701	4,841	
HYUNDAI RENEWABLE LAB JAPAN	1,680	979	701	268	32	17	
PROLOGUE VENTURES INC.	9,200	148	9,052	1,230	257	257	
HYUNDAI RENEWABLE LAB MIMASAKA	692	357	335	116	11	4	
HYUNDAI RENEWABLE LAB YUMESAKI	1,364	754	610	156	32	19	
HYUNDAI RENEWABLE LAB EHIME	2,952	2,274	678	231	(84)	(96)	
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	14,053	3,301	10,752	-	(264)	270	
HFA FINANCE PTY LTD	12	13	(1)	2,244	-	-	
HFA DISTRIBUTORS PTY LTD	13,646	12,653	993	21,062	536	617	
RENTCORP HYUNDAI	32,310	27,741	4,569	17,419	1,485	1,705	

Hyundai Corporation and Subsidiaries
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FORKLIFTS PTY LTD							
LUCINOVA Co., Ltd.	128,035	67,677	60,358	38,735	1,935	1,935	
CINOS AUTOMOTIVE INDIA PRIVATE LTD							
	13,517	10,872	2,645	3,081	(187)	(253)	
SIGMA(TIANJIN) AUTOMOTIVE PARTS CO.,LTD							
	3,184	3,558	(374)	353	44	20	
Sunyoung Korea Co.,Ltd.	14,703	11,357	3,346	6,463	646	646	
Q&C CO.,LTD.	2,087	2,514	(427)	1,158	(191)	(191)	
HYUNDAI NAVIS CO., LTD.	32,895	9,513	23,382	110,555	(1,025)	(1,025)	
HYUNDAI ONE EUROPE GmbH							
	6,803	825	5,978	7,441	316	857	
HYUNDAI PLATFORM CORP	4,636	2,825	1,811	13,423	498	470	
SHANGHAI ONE ASIA LOGISTICS CO., LTD							
	3,937	482	3,455	23,850	775	718	
HANOI ONE ASIA LOGISTICS	3,897	883	3,014	7,896	229	70	

(in millions of Korean won)

2024

Subsidiary	Assets		Liabilities		Equity		Sales		Profit (loss)		Total comprehensive income (loss)	
	W		W		W		W		W			
HYUNDAI CORP. USA	W	213,529	W	111,491	W	102,038	W	771,988	W	11,541	W	24,396
HYUNDAI AUSTRALIA PTY., LTD.		25,670		12,241		13,429		17,539		215		431
HYUNDAI JAPAN CO., LTD.		94,622		70,768		23,854		238,721		1,868		1,362
HYUNDAI CANADA INC.		110,426		86,529		23,897		217,195		7,041		8,619
HYUNDAI CORP. EUROPE GMBH		48,143		37,769		10,374		113,258		(269)		923
HYUNDAI CORPORATION SINGAPORE PTE. LTD.		223,127		208,998		14,129		402,920		2,663		4,412
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.		65,076		58,220		6,856		90,855		1,065		1,694
POS-HYUNDAI STEEL MFG. (I) PVT. LTD.		32,811		12,746		20,065		45,724		23		2,304
HYUNDAI RENEWABLE LAB		11,701		1,062		10,639		944		354		354
HYUNDAI PLATFORM CORP		2,496		1,155		1,341		7,005		(510)		(282)
HYUNDAI RENEWABLE LAB JAPAN		1,854		1,170		684		250		38		29
HYUNDAI ONE EUROPE GmbH		5,368		248		5,120		7,593		188		780
HYUNDAI FUELS PTE. LTD.		208,993		168,850		40,143		1,457,288		6,713		10,910
HYUNDAI ONE ASIA PTE. LTD.		21,023		11,061		9,962		47,111		2,256		3,423
SHANGHAI ONE ASIA LOGISTICS CO., LTD		6,193		1,432		4,761		33,569		1,185		1,594
HANOI ONE ASIA LOGISTICS		3,778		835		2,943		8,715		415		614

Hyundai Corporation and Subsidiaries
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HYUNDAI RENEWABLE LAB MIMASAKA	762	431	331	104	10	5
HYUNDAI NAVIS CO., LTD.	35,296	12,836	22,460	110,710	681	681
HYUNDAI RENEWABLE LAB YUMESAKI	1,523	932	591	142	30	22
HYUNDAI RENEWABLE LAB EHIME	3,113	2,339	774	241	(42)	(58)
PROLOGUE VENTURES INC.	8,978	183	8,795	812	(586)	(586)
PT HYUNDAI CORP INDONESIA	828	180	648	1,275	(112)	(4)
HYUNDAI CORPORATION ITALIA S.R.L.	20,644	19,061	1,583	66,688	72	244
HYUNDAI CORPORATION MEXICO, S. DE R.L. DE C.V.	65,952	63,803	2,149	111,141	856	938

1.4 Changes in Scope for Consolidation

Subsidiaries newly included in the consolidation for the year ended December 31, 2025:

Subsidiary	Reason
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	Acquired control due to step-by-step acquisition of interests
HFA FINANCE PTY LTD HFA DISTRIBUTORS PTY LTD	Included in the consolidation as a subsidiary of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD
RENTCORP HYUNDAI FORKLIFTS PTY LTD	Newly acquired interests of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD
LUCINOVA Co., Ltd. Sunyoung Korea Co.,Ltd. SIGMA(TIANJIN) AUTOMOTIVE PARTS CO.,LTD	Newly acquired
CINOS AUTOMOTIVE INDIA PRIVATE LTD	Included in the consolidation as a subsidiary of LUCINOVA Co., Ltd.
Q&C CO.,LTD.	Newly acquired interests of LUCINOVA Co., Ltd.

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Notes to the Consolidated Financial Statements

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2. Material Accounting Policies

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

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments),
- Defined benefit plans – plan assets measured at fair value, and
- Investment properties measured at fair value

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

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

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Notes to the Consolidated Financial Statements

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

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

(b) Amendments to Korean IFRS 1117 Insurance Contracts

If the estimation techniques used for input variables in measuring insurance contracts differ from the principles required by insurance regulations, the entity shall disclose those differences and their effects when the differences and their effects on the financial statements are considered relevant and material to users of financial statements.

2.2.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

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

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

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

(b) Annual Improvements to Korean IFRS -Volume 11

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

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Notes to the Consolidated Financial Statements

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

(c) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption. In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The amendments do not have a significant impact on the consolidated financial statements.

(d) Korean IFRS 1118 Presentation and Disclosure in Financial Statements

Korean IFRS 1118 *Presentation and Disclosure in Financial Statements* replaces Korean IFRS 1001 *Presentation of Financial Statements*. The new presentation requirements will include increase in comparability of the financial performance of similar entities and provide users with more relevant information. Although these requirements do not affect the recognition or measurement of items in the financial statements, the effect on presentation and disclosure is expected to be widespread, including the statement of profit or loss and the disclosure of "management-defined performance measures."

The standard should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the year ended December 31, 2026, shall be restated under Korean IFRS 1118.

Management is in review for the impact of applying the new standard on consolidated financial statements. Adoption of the standard is not expected to have an impact on the Group's net profit or loss; however, it will require revenues and expenses in the income statements to be classified into new categories, which is expected to have an impact on the calculation and presentation of operating profit (loss).

Hyundai Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

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2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for each fiscal year ended December 31. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

If the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity are greater than the fair value of the net identifiable assets acquired, the excess is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

2.4 Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investments in associates and joint ventures are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

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The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'profits (losses) of associates and joint ventures accounted for using equity method' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2.5 Current verses Non-current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

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- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Foreign Currency Translation

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The financial statements are presented in Korean won, which is the Group's functional and presentation currency.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss is also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign exchange differences arising from monetary items that are part of the Group's net investment in overseas operations are recognized in OCI and reclassified from equity to profit or loss at the time of disposal of the net investment.

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(b) Translation of overseas operation

The assets and liabilities of overseas operations are translated into Korean won at the rate of exchange prevailing at the reporting date and their statements of income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.8.1 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Korean IFRS 1115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

A. Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

B. Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

C. Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Korean IFRS 1032 *Financial Instruments*.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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The Group may elect to classify irrevocably its non-listed equity investments under this category.

D. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement.

This category includes derivatives and listed equity instruments that do not make an irrevocable choice to treat changes in fair value in other comprehensive income. Dividends for listed equity instruments are recognized in profit or loss at the time the rights are established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained

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substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(d) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – Note 3
- Trade receivables including contract assets – Note 10

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.8.2 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and non-trade payables, loans and borrowings including bank overdrafts, derivative financial liabilities and others.

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(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

A. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as of fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Korean IFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Korean IFRS 1109 are satisfied. The Group has not designated any financial liability as of fair value through profit or loss.

B. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

This category generally applies to interest-bearing loans and borrowings.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

2.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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2.9 Derivative Financial Instruments and Hedge Accounting

2.9.1 Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

A. Fair value hedges

The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the

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carrying value of the hedged item and is also recognized in the income statement.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

B. Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

2.10 Inventories

The Group evaluates the inventory at the lower of the acquisition cost or net realizable value. Meanwhile, acquisition costs for each inventory include purchase costs, conversion costs, and other costs incurred in bringing the inventory to its current place. The unit cost of the inventory is determined using the specific identification method.

2.11 Property, Plant and Equipment

Construction-in-progress is stated at cost, net of accumulated impairment losses, and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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Depreciation of property, plant and equipment, excluding land, is calculated on a straight-line basis over the estimated useful life of the assets, as follows:

	Useful lives
Buildings	20 ~ 67 years
Machinery	5 ~ 20
Vehicles	5 ~ 10
Others	3 ~ 15

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Group considers the impact of health, safety, and environmental laws when reviewing estimates of useful life and residual value. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

2.12 Investment Properties

Investment properties are measured initially at cost, including transaction costs and includes alternative costs that meet the recognition requirements of the asset at the time of occurrence. However, the costs incurred in daily management activities are recognized as expenses when they occur. Since initial recognition, investment property has been accounted for at fair value reflecting current market conditions at the end of the reporting period, and gains or losses from changes in fair value are reflected in profit or loss at the time of occurrence.

2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.13.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease

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incentives received. Right-of-use assets are depreciated on a straight-line basis during the term of the lease of each asset, as follows:

- Real estate: 1 to 5 years
- Vehicles and other assets: 1 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.6 Impairment of Non-Financial Assets.

(b) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of real estate and vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of other assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

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2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 Intangible Assets

Goodwill is measured as described in Note 2.3, and carried at cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its historical cost, and carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets consist of software and membership.

Customer contracts acquired in a business combination are recognized at fair value at the acquisition date. Membership rights that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful lives
Software	3 ~ 10 years
Customer contracts	9
Industrial property rights	5

2.16 Financial Guarantee Contracts

Financial guarantee contracts provided by Group are measured at fair value at initial recognition and are subsequently recognized as provisions by measuring at a greater of:

- the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 *Financial Instruments* and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*

2.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is

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virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group records a provision for decommissioning cost in relation to exploration project. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

The impact of climate-related matters on environmental damage recovery is taken into account when determining provisions related to the restoration of overseas mines disclosed in Note 24.

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill
- An asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the

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foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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2.19 Employee Benefits

(a) Defined benefit plans

The Group operates defined benefit plans. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

(b) Other long-term employee benefits

The Group provides long-term employee benefits to long-term employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Group recognizes service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year.

2.20 Revenue from Contracts with Customers

(a) Sales of goods

The Group recognizes sales at the time of delivery taking the terms and conditions of trade into account, when control of assets is transferred to the customer. Receivables are recognized when the goods are delivered, because from the point of delivery of the goods, the price will be paid as time passes, and there will be an unconditional right to receive the payments.

(b) Principal versus agent consideration

When another party is involved in providing goods or services to a customer, the Group shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The Group is a principal (recognized the gross amount as revenue) if it controls the specified good or service before that good or service is transferred to a customer. However, the Group is an agent (recognizes commission revenue as the net amount) if the entity's performance obligation is to arrange for the provision of the specified good or service by another party.

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2.21 Other Income

(a) Interest income

Interest income is recognized using the effective interest rate method over time. When an impairment of receivables occur, the carrying amount is decreased to the recoverable amount and the portion of the amount increasing over time is recognized as interest income. Meanwhile, interest income regarding impairment receivables is recognized using the initial effective interest.

(b) Dividend income

Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established.

2.22 Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

2.23 Segment Reporting

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 6). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, makes strategic decisions.

2.24 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

2.25 Fair Value Measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

	Notes
Disclosures for valuation methods, significant estimates and assumptions	3,5
Quantitative disclosures of fair value measurement hierarchy	5
Financial instruments (including those carried at amortized cost)	7

2.26 Cash Dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.27 Approval of Issuance of the Financial Statements

The consolidated financial statements 2025 were approved for issue by the Board of Directors on February 5, 2026 and are subject to change with the approval of shareholders at their Annual General Meeting.

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3. Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

3.1 Income Tax

The Group is operating in numerous countries and the income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 25).

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects for such period. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

3.2 Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The valuation of fair value through other comprehensive income arising from resources development project, which is subject to fair value measurement, is determined based on the project's long-term business plan, unit price of major products, expected production term, discount rate, and the political and economic environment of the country (Notes 5, 16).

3.3 Net Defined Benefit Liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 23).

3.4 Provision for Expected Credit Losses of Trade and Other Receivables

The Group estimates the amount of allowance for doubtful considering that ages, historical default events and other economic and industry environment factors of receivables in order to calculate provision for credit losses regarding trade and other receivables, investments in resource development projects and other receivables (Notes 10, 16).

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4. Financial Risk Management

4.1 Financial Risk Factors

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

4.1.1 Market Risk

(a) Foreign currency risk

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

The Group operates hedging policies (reduction of exposure through matching) for each operating segment within the Group, considering the nature of business and the existence of instruments to cope with the risks of exchange rate fluctuation. Additionally, the Group periodically evaluates and handles such risks exposed through managing system for receivables and payables denominated in foreign currencies, and reports the results to the management. In order to hedge the risk of foreign currency exchanges in foreign currency - denominated assets and liabilities, the Group entered into the contracts of foreign exchange forwards with KEB Hana Bank and others, and accounts for short-term trading purposes.

Financial assets and liabilities denominated in foreign currency as at December 31, 2025 and 2024, are as follows:

(in thousands of USD and in millions of Korean won)

Financial assets	2025		2024	
	Equivalent in USD	Converted to KRW	Equivalent in USD	Converted to KRW
Cash and cash equivalents	₩ 12,882	₩ 18,484	₩ 82,925	₩ 121,900
Trade receivables	550,220	789,511	385,550	566,758
Other current receivables	5,013	7,193	9,256	13,607
Short-term financial instruments	-	-	6,000	8,820
Long-term loan receivables	5,908	8,477	11,019	16,198
Investments in resource development projects	7,864	11,284	11,807	17,357
Other non-current receivables	2,741	3,933	214	314
	₩ 584,628	₩ 838,882	₩ 506,771	₩ 744,954

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(in thousands of USD and in millions of Korean won)

Financial liabilities	2025		2024	
	Equivalent in USD	Converted to KRW	Equivalent in USD	Converted to KRW
Trade payables	₩ 233,807	₩ 335,490	₩ 342,165	₩ 502,983
Short-term borrowings	251,483	360,853	98,792	145,224
Non-trade payables	12,079	17,332	15,295	22,484
Long-term borrowings	29,499	42,330	29,500	43,365
	₩ 526,868	₩ 756,005	₩ 485,752	₩ 714,056

The impact of weakened/strengthened Korean won by 10% against foreign currencies with all other variables held constant on the pre-tax profit for the year of the Group at the end of the reporting period, are as follows:

(in millions of Korean won)

	2025		2024	
	10% increase	10% decrease	10% increase	10% decrease
Income effect before tax	₩ 8,288	₩ (8,288)	₩ 3,090	₩ (3,090)

(b) Price risk

The Group is exposed to equity securities price risk arises from investments held by the Group that are classified either as at fair value through profit or loss or at fair value through other comprehensive income in the consolidated statement of financial position.

The Group has determined that an increase/(decrease) of 10% on price of fair value through profit or loss and fair value through other comprehensive income that the Group is holding, could have an impact of approximately ₩ 4,887 million increase/(decrease) on equity before tax of the Group resulted from changes of gain (loss) on valuation of financial instruments.

(c) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate because of changes in future market interest rate. The interest rate risk mainly arises through floating-rate deposits and borrowings. Part of the interest rate risk is offset by the variable interest rate risk from the underlying cashable assets and short-term financial instruments.

The analysis is based on the assumption that the interest rate has increased/decreased by 100bp with all other variables held constant at the end of the reporting period.

(in millions of Korean won)

	2025		2024	
	10% increase	10% decrease	10% increase	10% decrease
Income effect before tax	₩ (3,596)	₩ 3,596	₩ (257)	₩ 257

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4.1.2 Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only highly-rated financial institutions from independent rating agency are accepted. For the general customers, the Group hedges credit risks by assessing level of credit ratings and entering into an export credit insurance contracts with Korea Trade Insurance Corporation.

As at the end of the reporting date, the maximum exposure to credit risk of each of financial assets is the carrying amount of each of financial assets.

4.1.3 Liquidity Risk

In order to maintain appropriate amount of liquidity, the Group manages liquidity risk by making cyclical expectations and adjustments of capital inflows and outflows. The Group management team monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable, external regulatory or legal requirements.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at December 31, 2025 and 2024.

(in millions of Korean won)

	2025					
	Less than 1 year	1~2 years	2~3 years	Over 3 years	Total	Carrying amount
Trade payables	₩ 505,503	₩ -	₩ -	₩ -	₩ 505,503	₩ 505,503
Non-trade payables	47,232	109	14	55	47,410	47,410
Derivative financial liabilities	2,664	-	-	-	2,664	2,664
Borrowings ¹	734,434	3,772	6,708	7,492	752,406	755,493
Debentures ²	43,199	60,692	-	-	103,891	99,900
Lease liabilities	5,407	4,246	3,555	8,937	22,145	18,387
Other current payables	18,974	-	-	-	18,974	18,974
Other non-current payables	-	15,079	3,892	608	19,579	19,579
Financial guarantee contracts ³	72,986	-	-	-	72,986	-
Capital commitment to an investment partnership	5,491	1,791	-	-	7,282	-
	<u>₩ 1,435,890</u>	<u>₩ 85,689</u>	<u>₩ 14,169</u>	<u>₩ 17,092</u>	<u>₩ 1,552,840</u>	<u>₩ 1,467,910</u>

¹ Cash flow from borrowings includes nominal interests on borrowings, financial fees, and amounts related to derivatives for cash flow hedges due to interest rate and exchange rate fluctuations.

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² Borrowings and debentures include nominal interests.

³ Represents the maximum amount that can be claimed at the earliest period.

	2024					
	Less than 1 year	1~2 years	2~3 years	Over 3 years	Total	Carrying amount
Trade payables	₩ 661,840	₩ -	₩ -	₩ -	₩ 661,840	₩ 661,840
Non-trade payables	52,509	-	12	10	52,531	52,531
Derivative financial liabilities	14,569	334	-	-	14,903	14,903
Borrowings ¹	324,496	60,078	987	7,917	393,478	394,401
Debentures ²	4,494	43,199	60,692	-	108,385	99,711
Lease liabilities	5,381	4,422	3,249	4,404	17,456	15,629
Other current payables	9,877	-	-	-	9,877	9,877
Other non-current payables	-	-	-	438	438	438
Financial guarantee contracts ³	77,807	-	-	-	77,807	1
	<u>₩ 1,150,973</u>	<u>₩ 108,033</u>	<u>₩ 64,940</u>	<u>₩ 12,769</u>	<u>₩ 1,336,715</u>	<u>₩ 1,249,331</u>

¹ Cash flow from borrowings includes nominal interests on borrowings, financial fees, and amounts related to derivatives for cash flow hedges due to interest rate and exchange rate fluctuations.

² Borrowings and debentures include nominal interests.

³ Represents the maximum amount that can be claimed at the earliest period.

4.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group uses debt-to-equity ratio for capital management. This ratio is calculated as total debts divided by total equity as shown in the consolidated statement of financial position.

Debt-to-equity ratios as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)	2025	2024
Liabilities	₩ 1,629,914	₩ 1,406,982
Equity	<u>694,796</u>	<u>655,327</u>
Debt-to-equity ratios (%)	<u>234.6</u>	<u>214.7</u>

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5. Fair Value

5.1 Fair Value of Financial Instruments by Category

There are no significant differences between carrying amount and fair value of financial instruments except for financial assets at fair value measured at cost, which do not have a quoted price in an active market and their fair value cannot be measured reliably and thus excluded from the fair value disclosures.

5.2 Fair Value Hierarchy

Financial instruments measured at fair value or for which the fair value is disclosed are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group's financial assets and financial liabilities that are measured at fair value as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Derivative financial assets	₩ -	₩ 5,196	₩ -	₩ 5,196
Financial assets at fair value through profit or loss	2,777	-	12,505	15,282
Financial assets at fair value through other comprehensive income	-	-	33,586	33,586
Liabilities related to non-controlling interests	-	-	17,397	17,397
Redeemable convertible preferred shares	-	-	1,574	1,574
Derivative financial liabilities	-	2,664	-	2,664

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(in millions of Korean won)

	2024			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Derivative financial assets	₩ -	₩ 15,557	₩ -	₩ 15,557
Financial assets at fair value through profit or loss	3,523	-	11,353	14,876
Financial assets at fair value through other comprehensive income	-	-	47,483	47,483
Derivative financial liabilities	-	14,903	-	14,903

Fair value of cash and cash equivalents, trade receivable, long and short-term financial instruments, finance lease receivable, other financial assets, long-term loan receivables, investments in resource development projects, trade payable, non-trade payable, long and short-term borrowings and etc. is excluded from disclosure of fair value since fair value is similar to the carrying amounts that the effects discounted are not material.

There were no transfers between Level 1 and Level 2, to Level 3 and from Level 3 for the years ended December 31, 2025 and 2024.

When calculating fair value measures, the impact of potential climate-related issues, including laws and regulations that may affect the fair value measurement of assets and liabilities in consolidated financial statements, was considered. Climate-related risks are included in major assumptions if they have a significant impact on the measurement of recoverable amounts. This assumption was included in the cash flow estimation when evaluating the value of use.

Currently, the impact of climate-related issues is not material to the Group's consolidated financial statements.

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5.3 Valuation Techniques and the Inputs

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

<i>(in millions of Korean won)</i>	2025				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs
Financial assets at fair value through profit or loss					
Investment fund	₩ 4,539	3	Cost approach	-	-
Non-listed equity investments	25	3	Cost approach	-	-
Non-listed equity investments	267	3	Net asset method	-	-
Reco Co.,LTD	3,899	3	Binomial option pricing model	Underlying stock price Risk-free interest rate Stock price volatility	₩ 185,250 3.41% 21.91%
Daishin-Newgen New Growth Fund No.3	3,775	3	Net asset method	-	-
Financial assets at fair value through other comprehensive income					
KOREA Ras Laffan LNG Ltd.	14,462	3	Discounted cash flow (DCF) model	Discount rate Main product unit price (\$/mmbtu) Estimated period of cash flow	7.76% 6.31~10.30 By 2029
Hyundai Miraero Co., Ltd.	10,582	3	Net asset method	-	-
FLAXRES GmbH	8,542	3	Cost approach	-	-
Financial liabilities at fair value through profit or loss					
Liabilities related to non-controlling interests	17,397	3	Net asset method	-	-
Redeemable convertible preferred shares	1,574	3	TF model	Underlying asset price Expected stock price volatility	₩ 143,738 28.9%

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	2024				
	Fair value	Level	Valuation techniques	Inputs	Range of inputs
<i>(in millions of Korean won)</i>					
Financial assets at fair value through profit or loss					
Investment fund	₩ 8,057	3	Cost approach	-	-
Non-listed equity investments	3,024	3	Cost approach	-	-
Non-listed equity investments	272	3	Net asset method	-	-
Financial assets at fair value through other comprehensive income					
				Discount rate	8.96%
KOREA Ras Laffan LNG Ltd.	28,752	3	Discounted cash flow (DCF) model	Main product unit price (\$/mmbtu)	7.49~10.37
				Estimated period of cash flow	By 2029
Hyundai Miraero Co., Ltd.	10,189	3	Net asset method	-	-
FLAXRES GmbH	8,542	3	Cost approach	-	-

The fair value measurement for the purpose of financial reporting is annually performed by the external independent valuation institution.

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5.4 Sensitivity analysis for Recurring Fair Value Measurements Categorized as Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters. When the fair value is affected by more than two input parameters, the most favorable or most unfavorable amounts are presented. The equity securities of Reco Co.,LTD and Korea Ras Laffan LNG Ltd., which is classified as Level 3, is subject to sensitivity analysis. The results of the sensitivity analysis from changes in unobservable input, are as follows:

(in millions of Korean won)

	Reco Co.,LTD			
	Stock price		Volatility	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Gain (loss) on valuation of financial assets at fair value through profit or loss	₩ 330	₩ (267)	₩ 135	₩ (70)

(in millions of Korean won)

	Korea Ras Laffan LNG Ltd.	
	Favorable changes	Unfavorable changes
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ 184	₩ (184)

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6. Operating Segment and Regional Information

6.1 Operating Segment

Management who makes strategic decisions determines the Group's operating segments. Management makes decisions about allocation of resources and reviews to assess performance of the operating segments based on their sales. Based on product type, operating segments are categorized as steel division, auto division, energy convergence & smart mobility & parts division, infra & machinery division, petroleum & chemical products division, and others.

The Group's financial information by operating segments for the years ended December 31, 2025 and 2024, is as follows:

(in millions of Korean won)

	2025			
	Sales	Operating income	Depreciation	Amortization
Steel	₩ 2,064,044	₩ 39,837	₩ 3,828	₩ 158
Auto	1,815,777	42,308	2,725	140
Energy convergence & Smart mobility & Parts	574,191	33,198	862	44
Infra & Machinery	532,101	14,603	799	345
Petroleum & Chemical products	2,404,216	14,192	3,609	184
Others	163,957	(4,007)	2,558	262
	<u>₩ 7,554,286</u>	<u>₩ 140,131</u>	<u>₩ 14,381</u>	<u>₩ 1,133</u>

(in millions of Korean won)

	2024			
	Sales	Operating income	Depreciation	Amortization
Steel	₩ 2,148,956	₩ 45,093	₩ 2,512	₩ 163
Auto	1,473,995	33,596	1,223	112
Energy convergence & Smart mobility & Parts	509,195	34,839	422	39
Infra & Machinery	411,576	9,462	341	31
Petroleum & Chemical products	2,332,296	12,813	1,935	177
Others	119,645	(2,274)	1,002	73
	<u>₩ 6,995,663</u>	<u>₩ 133,529</u>	<u>₩ 7,435</u>	<u>₩ 595</u>

Profits of associates and joint ventures accounted for using equity method and other income (dividend income) of resource development business division, which are not included in operating income amount to ₩ 9,636 million and ₩ 31,092 million for the years ended December 31, 2025 and 2024, respectively.

Assets, liabilities, other income and expenses, and finance income and costs of operating segments are not reported to the chief operating decision-maker. Accordingly, the information is not presented in the tables above.

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6.2 Regional Information

As at December 31, 2025 and 2024, the details of non-current assets by region (based on location) are as follows:

<i>(in millions of Korean won)</i>	Korea	America	Asia	Europe	Others	Total
2025	₩ 101,013	₩ 6,249	₩ 74,430	₩ 324	₩ 39,019	₩ 221,035
2024	30,472	1,441	52,300	269	171	84,653

The amount of non-current assets by region excludes financial instruments, deferred tax assets, and investments in joint ventures and associates.

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7. Financial Instruments by Category

Details of financial assets by category as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025			
	At amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
Current assets:				
Cash and cash equivalents	₩ 215,525	₩ -	₩ -	₩ 215,525
Short-term financial instruments	2,193	-	-	2,193
Financial assets at fair value through profit or loss	-	295	-	295
Trade receivables	1,022,366	-	147,533	1,169,899
Current portion of Long-term loan receivables	250	-	-	250
Finance lease receivables	452	-	-	452
Other current receivables	29,532	-	-	29,532
Derivatives financial assets	-	5,196	-	5,196
	<u>1,270,318</u>	<u>5,491</u>	<u>147,533</u>	<u>1,423,342</u>
Non-current assets:				
Long-term financial instruments	19	-	-	19
Financial assets at fair value through profit or loss	-	14,987	-	14,987
Financial assets at fair value through other comprehensive income	-	-	33,586	33,586
Other financial assets	208	-	-	208
Long-term loan receivables	10,688	-	-	10,688
Investments in resource development projects	11,284	-	-	11,284
Non-current finance lease receivables	911	-	-	911
Other non-current receivables	8,385	-	-	8,385
	<u>31,495</u>	<u>14,987</u>	<u>33,586</u>	<u>80,068</u>
	<u>₩ 1,301,813</u>	<u>₩ 20,478</u>	<u>₩ 181,119</u>	<u>₩ 1,503,410</u>

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(in millions of Korean won)

	2024			Total
	At amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	
Current assets:				
Cash and cash equivalents	₩ 303,041	₩ -	₩ -	₩ 303,041
Short-term financial instruments	11,820	-	-	11,820
Financial assets at fair value through profit or loss	-	2	-	2
Trade receivables	996,913	-	-	996,913
Finance lease receivables	430	-	-	430
Other current receivables	21,558	-	-	21,558
Derivatives financial assets	-	11,021	-	11,021
	<u>1,333,762</u>	<u>11,023</u>	<u>-</u>	<u>1,344,785</u>
Non-current assets:				
Long-term financial instruments	19	-	-	19
Financial assets at fair value through profit or loss	-	14,874	-	14,874
Financial assets at fair value through other comprehensive income	-	-	47,483	47,483
Other financial assets	249	-	-	249
Long-term loan receivables	17,356	-	-	17,356
Investments in resource development projects	17,357	-	-	17,357
Finance lease receivables	1,280	-	-	1,280
Other non-current receivables	13,429	-	-	13,429
Derivatives financial assets	-	4,536	-	4,536
	<u>49,690</u>	<u>19,410</u>	<u>47,483</u>	<u>116,583</u>
	<u>₩ 1,383,452</u>	<u>₩ 30,433</u>	<u>₩ 47,483</u>	<u>₩ 1,461,368</u>

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Details of financial liabilities by category as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024	
	At amortized cost	At fair value through profit or loss	At amortized cost	At fair value through profit or loss
Current liabilities:				
Trade payables	₩ 505,503	₩ -	₩ 661,840	₩ -
Non-trade payables	47,231	-	52,509	-
Short-term borrowings	682,778	-	320,985	-
Current portion of long-term borrowings	54,939	-	987	-
Current portion of debentures	39,978	-	-	-
Lease liabilities	6,648	-	4,990	-
Other current liabilities ¹	18,974	-	9,877	-
Derivative financial liabilities	-	2,664	-	14,568
	<u>1,356,051</u>	<u>2,664</u>	<u>1,051,188</u>	<u>14,568</u>
Non-current liabilities:				
Long-term non-trade payables	178	-	22	-
Debentures	59,921	-	99,712	-
Long-term borrowings	17,776	-	72,429	-
Lease liabilities	11,739	-	10,639	-
Other non-current liabilities	608	18,971	438	-
Derivative financial liabilities	-	-	-	334
	<u>90,222</u>	<u>18,971</u>	<u>183,240</u>	<u>334</u>
	<u>₩ 1,446,273</u>	<u>₩ 21,635</u>	<u>₩ 1,234,428</u>	<u>₩ 14,902</u>

¹ Liabilities related to employee benefits are included.

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Net gains or losses on each category of financial instruments for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Financial assets at fair value through profit or loss				
Gains on disposal of financial assets at fair value through profit or loss	₩	295	₩	296
Dividend income		178		31
Loss on valuation of financial assets at fair value through profit or loss		(226)		(99)
		<u>247</u>		<u>228</u>
Financial assets at fair value through other comprehensive income				
Dividend income		4,879		13,742
Loss on valuation of financial assets at fair value through other comprehensive income		(10,534)		(6,171)
Loss on disposal of trade receivables		(6,778)		-
		<u>(12,433)</u>		<u>7,571</u>
Financial assets at amortized cost				
Interest income		10,009		10,494
Bad debt expenses		(20,003)		(17,153)
Foreign exchange gains (losses)		(14,805)		86,390
Loss on disposal of trade receivables		-		(14,895)
		<u>(24,799)</u>		<u>64,836</u>
Derivative instruments				
Gain on valuation of derivative instruments (through profit or loss)		1,473		2,282
Gain on valuation of derivative instruments (through other comprehensive income)		284		452
Foreign exchange gains		1,354		989
Loss on transactions of derivative instruments		(4,704)		(15,773)
		<u>(1,593)</u>		<u>(12,050)</u>
Financial liabilities at amortized cost				
Interest expenses		(43,543)		(30,233)
Foreign exchange losses		(2,103)		(58,603)
		<u>(45,646)</u>		<u>(88,836)</u>
	₩	<u>(84,224)</u>	₩	<u>(28,251)</u>

Details of restricted financial instruments as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024		Description
Long-term financial instruments	₩	19	₩	19	Bank overdrafts

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8. Transfers of Financial Assets

(a) Transferred financial assets that are not derecognized in their entirety

The D/A export receivables that have not matured have been discounted with banks and the receivables that the Group has a redemption recourse duty are not derecognized in the consolidated financial statements because the Group has risks and rewards.

Financial assets which were transferred but not derecognized as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	Financial assets at amortized cost			
		2025		2024
Book amount of assets ¹	₩	357,955	₩	142,785
Book amount of related liabilities ²		357,955		142,785

¹ Receivables from intergroup transactions amounting to ₩ 171,168 million (2024: ₩ 84,786 million) as at December 31, 2025, are included.

² Net of prepaid interest.

(b) Transferred financial assets that are derecognized in their entirety

The Group derecognized the receivables, which were discounted with the financial institutions, from the consolidated financial statements on transfer date by transferring substantially all the risks and rewards. As at December 31, 2025, the carrying amount of receivables which have not matured amounts to ₩ 244,536 million.

9. Cash and Cash Equivalents

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

<i>(in millions of Korean won)</i>	2025		2024	
Cash in bank and on hand	₩	215,525	₩	303,041
	₩	215,525	₩	303,041

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10. Trade and Other Receivables

10.1 Trade Receivables

Details of trade receivables as at December 31, 2025 and 2024, are as follows. The maximum exposure to credit risk is the carrying amount of trade receivables.

<i>(in millions of Korean won)</i>	2025		2024	
Trade receivables	₩	1,188,381	₩	1,015,450
Allowance for credit losses		<u>(18,482)</u>		<u>(18,537)</u>
	₩	<u>1,169,899</u>	₩	<u>996,913</u>

Details of the aging analysis and allowance for credit losses of trade receivables as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025			
	Current	Not later than 3 months	Later than 3 months	Total
General receivables:				
Carrying amount	₩ 1,076,194	₩ 71,249	₩ 17,857	₩ 1,165,300
Expected loss rate (%)	0.01%	0.06%	2.16%	-
Allowance for credit losses	(65)	(42)	(386)	(493)
Individual impaired receivables:				
Carrying amount	-	545	22,536	23,081
Allowance for credit losses	-	<u>(545)</u>	<u>(17,444)</u>	<u>(17,989)</u>
	<u>1,076,194</u>	<u>71,794</u>	<u>40,393</u>	<u>1,188,381</u>
	₩ (65)	₩ (587)	₩ (17,830)	₩ (18,482)

<i>(in millions of Korean won)</i>	2024			
	Current	Not later than 3 months	Later than 3 months	Total
General receivables:				
Carrying amount	₩ 875,205	₩ 112,834	₩ 6,687	₩ 994,726
Expected loss rate (%)	0.00%	0.04%	15.29%	-
Allowance for credit losses	(35)	(47)	(1,022)	(1,104)
Individual impaired receivables:				
Carrying amount	-	587	20,137	20,724
Allowance for credit losses	-	<u>(587)</u>	<u>(16,846)</u>	<u>(17,433)</u>
	<u>875,205</u>	<u>113,421</u>	<u>26,824</u>	<u>1,015,450</u>

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₩	(35)	₩	(634)	₩	(17,868)	₩	(18,537)
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Changes in the allowance for credit losses of trade receivables for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Beginning balance	₩	18,537	₩	17,435
Provision (reversal) of allowance for credit losses		(57)		1,057
Write-off		(61)		(37)
Others		(26)		-
Changes in scope of consolidation		127		-
Effects of exchange rate changes		(38)		82
Ending balance	₩	18,482	₩	18,537

10.2 Other Receivables

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

	2025			2024		
	Receivables	Allowance for doubtful accounts	Carrying amount	Receivables	Allowance for doubtful accounts	Carrying amount
Short-term loan receivables	₩	9	₩	-	₩	-
Non-trade receivables	49,663	(22,749)	26,914	126,322	(105,626)	20,696
Accrued income	16,567	(12,667)	3,900	15,931	(7,771)	8,160
Guarantee deposits	1,020	-	1,020	806	-	806
Deposits provided	4,158	-	4,158	5,326	-	5,326
Contract assets	2,552	(637)	1,915	-	-	-
	₩	73,969	₩	(36,053)	₩	37,916
	₩	148,385	₩	(113,397)	₩	34,988

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11. Financial Assets at Fair Value

(a) Financial assets at fair value through profit or loss

Details of financial assets at fair value through profit or loss as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Investment fund				
Shinhan Gentium Startup Fund No.2	₩	350	₩	350
Daishin-Newgen New Growth Fund No.3		3,775		4,000
Hanwha Investment & Securities Tiger Fund		2,579		2,395
Sylvan Asia Growth Fund I LP		1,280		1,311
KABA EV-SV Fund 1 LP		330		-
Listed equity investments				
KOSDAQ listed public offering shares		295		2
KCC GLASS Corporation		2,482		3,521
Non-listed equity investments				
EUROTEM DEMIRYOLU ARA-LARI SAN		19		19
Reco Co.,LTD		3,899		3,000
TCU GmbH & Co. KG		6		6
Aureum Gold Rush ESG General Private Equity Investment Trust No.1		267		272
	₩	<u>15,282</u>	₩	<u>14,876</u>

(b) Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Non-listed equity investments				
KOREA RAS LAFFAN LNG LIMITED	₩	14,462	₩	28,752
Hyundai Miraero Co., Ltd.		10,582		10,189
FLAXRES GmbH		8,542		8,542
	₩	<u>33,586</u>	₩	<u>47,483</u>

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Changes in financial assets at fair value through profit or loss and fair value through other comprehensive income for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Beginning balance	₩ 14,876	₩ 47,483	₩ 9,876	₩ 46,924
Additions	2,509	-	5,549	8,542
Sales	(1,848)	-	(544)	-
Valuation	(227)	(13,897)	(99)	(7,983)
Effect of changes in foreign currency	(28)	-	94	-
Ending balance	₩ 15,282	₩ 33,586	₩ 14,876	₩ 47,483

12. Derivative Instruments

Details of derivative instruments as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024	
	Asset	Liability	Asset	Liability
Foreign exchange forward - held for trading (current)	₩ 1,582	₩ 2,480	₩ 10,915	₩ 14,317
Commodity futures - fair value risk hedge ¹	131	131	106	157
Commodity futures - cash flow hedge ²	-	53	-	94
Foreign exchange swap - cash flow hedge ³	3,483	-	-	-
	₩ 5,196	₩ 2,664	₩ 11,021	₩ 14,568
Foreign exchange swap - cash flow hedge ³	₩ -	₩ -	₩ 4,536	₩ 334
	₩ -	₩ -	₩ 4,536	₩ 334

¹ The Group conducts futures trading to avoid price fluctuation in connection with the asphalt supply contract.

² The Group applies cash flow hedge accounting to commodity futures regarding vessel fuel oil. The effective portion of hedge that was recognized in the equity amounts to ₩ (-)44 million and ₩ (-)87 million as at December 31, 2025 and 2024, respectively.

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³ The Group applies cash flow hedge accounting to foreign exchange swap regarding to avoid variable interest rates and exchange rate fluctuations in foreign currency borrowings. The effective portion of hedge that was recognized in the equity amounts to ₩ (-)30 million and ₩ (-)210 million as at December 31, 2025 and 2024, respectively.

Details of foreign exchange forward as at December 31, 2025 and 2024, are as follows:

(in thousands of foreign currency and in millions of Korean won)

2025						
Currency (buy)	Amount (buy)	Currency (sell)	Amount (sell)	Derivative instruments assets	Derivative instruments liabilities	
EUR	1,007	KRW	1,702	₩ 20	₩ -	
EUR	4,359	USD	5,130	33	21	
JPY	1,109,898	USD	7,514	-	578	
KRW	9,373	EUR	5,539	57	24	
KRW	206	CNY	1,004	-	-	
KRW	207,228	USD	145,201	293	843	
GBP	919	USD	1,226	17	3	
USD	2,197	AUD	3,339	-	57	
USD	3,608	CAD	4,959	1	31	
USD	67,242	EUR	57,587	21	800	
USD	17,143	JPY	2,570,424	920	-	
USD	11,195	KRW	15,897	218	64	
USD	3,038	GBP	2,287	2	59	
				₩ 1,582	₩ 2,480	

(in thousands of foreign currency and in millions of Korean won)

2024						
Currency (buy)	Amount (buy)	Currency (sell)	Amount (sell)	Derivative instruments assets	Derivative instruments liabilities	
AUD	319	USD	203	₩ -	₩ 7	
EUR	425	KRW	623	27	-	
EUR	8,635	USD	9,323	-	479	
JPY	551,182	USD	3,696	-	256	
KRW	7,578	EUR	5,028	-	112	
KRW	52	JPY	5,688	-	1	
KRW	283,235	USD	202,415	2	13,293	
KRW	9,438	GBP	5,193	2	96	
USD	3,583	AUD	5,536	208	-	
USD	24	CAD	35	-	-	
USD	77,675	EUR	72,852	2,449	-	
USD	17,584	JPY	2,646,869	890	6	
USD	70,223	KRW	95,815	7,140	-	
USD	4,209	GBP	3,251	197	-	
GBP	854	USD	1,117	-	67	
				₩ 10,915	₩ 14,317	

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Details of Commodity futures as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

Contract	Position	2025		2024	
		Derivative instruments assets	Derivative instruments liabilities	Derivative instruments assets	Derivative instruments liabilities
Commodity futures - fair value risk hedge					
Asphalt futures	Buy	₩ 131	₩ 131	₩ 106	₩ 157
Commodity futures - cash flow hedge					
Gas oil futures	Buy	-	-	-	71
Fuel oil futures	Buy	-	53	-	23
		-	53	-	94
		₩ 131	₩ 184	₩ 106	₩ 251

Details of foreign exchange swap as at December 31, 2025 and 2024, are as follows:

(in thousands of foreign currency and in millions of Korean won)

2025					
Currency (receive)	Amount (receive)	Currency (pay)	Amount (pay)	Derivative instruments assets	Derivative instruments liabilities
USD	29,500	KRW	38,890	₩ 3,483	-

(in thousands of foreign currency and in millions of Korean won)

2024					
Currency (receive)	Amount (receive)	Currency (pay)	Amount (pay)	Derivative instruments assets	Derivative instruments liabilities
USD	29,500	KRW	38,890	₩ 4,536	₩ 334

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13. Inventories

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

(in millions of Korean won)

	2025			2024		
	Purchase cost	Valuation allowance	Carrying amount	Purchase cost	Valuation allowance	Carrying amount
Merchandise	₩ 285,053	₩ (226)	₩ 284,827	₩ 254,520	₩ -	₩ 254,520
Finished goods	6,876	(250)	6,626	2,091	-	2,091
Raw materials	23,317	(1,909)	21,408	9,450	-	9,450
Work in progress	2,421	(9)	2,412	133	-	133
	<u>₩ 317,667</u>	<u>₩ (2,394)</u>	<u>₩ 315,273</u>	<u>₩ 266,194</u>	<u>₩ -</u>	<u>₩ 266,194</u>

The reversal of loss on valuation of inventories included in the cost of sales is 499 million for the year ended December 31, 2025 and there is no loss on valuation of inventories recognized in cost of sales for the year ended December 31, 2024.

14. Other Assets

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

(in millions of Korean won)

	2025	2024
Other current assets:		
Prepayments	₩ 103,234	₩ 63,636
Prepaid expenses	12,075	3,518
Others	138	304
	<u>115,447</u>	<u>67,458</u>
Other non-current assets:		
Long-term prepayments	1,040	6,675
Long-term prepaid expenses	76	114
	<u>1,116</u>	<u>6,789</u>
	<u>₩ 116,563</u>	<u>₩ 74,247</u>

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15. Interests in Joint Ventures and Associates

Details of investments in joint ventures and associates as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024		Location	Business
	Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount		
PT HD INTI. DEVE. ¹	55.00	₩ 1,872	55.00	₩ 1,925	Indonesia	Management of facility
HYUNDAI YEMEN LNG COMPANY LIMITED ^{1,2}	51.00	30,601	51.00	59,076	Bermuda	Yemen LNG development
KOREA LNG LIMITED	20.00	17,195	20.00	19,815	Bermuda	OMAN LNG development
KAPSTEX VINA., JSC ³	13.00	5,243	13.00	5,120	Vietnam	Manufacture and sale of technical textiles
INTERGIS BUSAN NEWPORT CENTER CO., LTD. ⁴	20.00	1,235	20.00	1,186	Korea	Warehouse and transportation related service
ELIAS AUTO INDIA PRIVATE LIMITED ^{1,5}	51.00	690	51.00	605	India	Vehicle knock down business
HY AUTO SOLUTION LLC	50.00	1,280	50.00	614	Russia	Auto parts manufacturing
Aeonus Co., Ltd. ⁸	8.35	665	8.61	591	Korea	Renewable energy and mobile ESS development
KCA ESG No.1 Private Equity Investment Co., Ltd.	34.17	-	34.17	-	Korea	Securities investment
Infinite Marine Connect Co., Ltd. ⁶	49.00	924	49.00	531	Korea	Ship fuel supply business
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD ⁷	-	-	50.00	3,239	Australia	Sale and rental of forklift
Prologue ventures New Technology Fund No.1 ⁹	18.18	907	18.18	971	Korea	Securities investment
Prologue Agricultural Food scale up Fund	26.19	4,160	26.19	3,187	Korea	Securities investment
K-culture Global scale up Fund	22.81	3,622	22.81	2,504	Korea	Securities investment
Prologue puzzle Corporate Restructuring New Technology Business Fund ^{9,10}	18.20	4,555	18.20	1,802	Korea	Securities investment
Shinhan Alpha Seosomun REIT Co., Ltd. ¹⁰	41.50	75,563	46.89	80,945	Korea	Real estate trust
D MEX AUSTRALIA PTY LTD ¹¹	50.00	(124)	-	-	Australia	Infrastructure equipment distribution business
EP FORKLIFTS AUSTRALIA PTY LTD ¹¹	50.00	127	-	-	Australia	Infrastructure equipment distribution business
HYUNDAI REEARTH CO.,LTD. ¹²	50.10	2,113	-	-	Korea	New and renewable energy business
		₩ 150,628		₩ 182,111		

¹ It is excluded from the scope of consolidation despite the Group's shares in the associate exceeds 50% because the consent of other shareholders is required to make major decisions under shareholders' agreement.

² Although the percentage of ownership of the Group is 51%, the equity method is applied at a percentage considering the contractual terms regarding dividends.

³ Although the percentage of ownership of the Group is 13%, it is determined to be an associate because the Parent Company has an authority to appoint key executives of the associate.

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⁴ The associate of HYUNDAI ONE EUROPE GMBH.

⁵ The joint venture of POS-HYUNDAI STEEL MFG. (I) PVT. LTD.

⁶ The associate of HYUNDAI FUELS PTE. LTD.

⁷ The entity was changed from an associate to a subsidiary due to a step acquisition during the year ended December 31, 2025.

⁸ Although the percentage of ownership of the Group is 8.35%, it is determined to be an associate because the Parent Company has an authority to appoint key executives of the associate.

⁹ Although the Group owns less than 20% of ownership in this entity, it is determined to be an associate because the Group participates in policy-making processes as a general partner.

¹⁰ The entity was newly established during the year ended December 31, 2024.

¹¹ The joint venture of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD.

¹² The entity was newly established during the year ended December 31, 2025. It is excluded from the scope of consolidation despite the Group's shares in the joint venture exceeds 50% because the consent of other shareholders is required to make major decisions under shareholders' agreement.

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Changes in investments in joint ventures and associates as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025									
	Beginning balance	Acquisition (Disposal)	Profits (losses) of associates and joint ventures accounted for using equity method	Share of other comprehensive income (loss) of associates and joint ventures	Others	Changes in scope of consolidation	Ending balance			
PT HD INTL. DEVE.	₩ 1,925	₩ -	₩ 349	₩ (121)	₩ (281)	₩ -	₩ 1,872			
HYUNDAI YEMEN LNG COMPANY LIMITED	59,076	-	(440)	(28,035)	-	-	30,601			
KOREA LNG LIMITED	19,815	-	5,197	(2,775)	(5,042)	-	17,195			
KAPSTEX VINA., JSC	5,120	-	690	(191)	(376)	-	5,243			
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	1,186	-	74	-	(25)	-	1,235			
ELIAS AUTO INDIA PRIVATE LIMITED	605	-	130	(45)	-	-	690			
HY AUTO SOLUTION LLC	614	-	401	265	-	-	1,280			
Aeonus Co., Ltd.	591	-	74	-	-	-	665			
Infinite Marine Connect Co., Ltd.	531	-	393	-	-	-	924			
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	3,239	-	-	-	-	(3,239)	-			
Prologue ventures New Technology Fund No.1	971	-	(64)	-	-	-	907			
Prologue Agricultural Food scale up Fund	3,187	1,100	(127)	-	-	-	4,160			
K-culture Global scale up Fund	2,504	1,300	(182)	-	-	-	3,622			
Prologue puzzle Corporate Restructuring New Technology Business Fund	1,802	2,833	(80)	-	-	-	4,555			
Shinhan Alpha Seosomun REIT Co., Ltd.	80,945	-	(690)	-	(4,692)	-	75,563			
D MEX AUSTRALIA PTY LTD	-	-	-	-	-	(124)	(124)			
EP FORKLIFTS AUSTRALIA PTY LTD	-	-	(79)	6	-	200	127			
HYUNDAI REEARTH CO.,LTD.	-	2,125	(12)	-	-	-	2,113			
	₩ 182,111	₩ 7,358	₩ 5,634	₩ (30,896)	₩ (10,416)	₩ (3,163)	₩ 150,628			

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	2024						
	Beginning balance	Acquisition (Disposal)	Profits (losses) of associates and joint ventures accounted for using equity method	Share of other comprehensive income (loss) of associates and joint ventures	Others	Ending balance	
PT HD INTI. DEVE.	₩ 1,515	₩ -	₩ 401	₩ 148	₩ (139)	₩ 1,925	
HYUNDAI YEMEN LNG COMPANY LIMITED	97,547	-	(375)	(38,096)	-	59,076	
KOREA LNG LIMITED	59,421	-	17,724	(39,501)	(17,829)	19,815	
KAPSTEX VINA., JSC	4,266	-	710	280	(136)	5,120	
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	1,129	-	81	-	(24)	1,186	
ELIAS AUTO INDIA PRIVATE LIMITED	574	-	(30)	61	-	605	
HY AUTO SOLUTION LLC	4,027	-	(3,394)	(19)	-	614	
Aeonus Co., Ltd.	669	-	(78)	-	-	591	
KCA ESG No.1 Private Equity Investment Co., Ltd.	7,176	-	(7,176)	-	-	-	
Infinite Marine Connect Co., Ltd.	251	-	280	-	-	531	
PT. SUGIHARA HYUNDAI AUTOMOTIVE	501	(295)	(237)	31	-	-	
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	3,243	-	(76)	72	-	3,239	
Prologue ventures New Technology Fund No.1	969	-	2	-	-	971	
Prologue Agricultural Food scale up Fund	1,622	1,650	(85)	-	-	3,187	
K-culture Global scale up Fund	642	1,950	(88)	-	-	2,504	
Prologue puzzle Corporate Restructuring New Technology Business Fund	-	1,885	(83)	-	-	1,802	
Shinhan Alpha Seosomun REIT Co.,Ltd.	-	83,000	(2,055)	-	-	80,945	
	₩ 183,552	₩ 88,190	₩ 5,521	₩ (77,024)	₩ (18,128)	₩ 182,111	

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Financial information of investments in joint ventures and associates as at and for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025						Total comprehensive income (loss)
	Assets	Liabilities	Equity	Sales	Profit (loss)		
PT HD INTI. DEVE.	₩ 4,175	₩ 771	₩ 3,403	₩ 5,111	₩ 621	₩ 414	
HYUNDAI YEMEN LNG COMPANY LIMITED	226,087	178,878	47,209	-	(875)	(42,051)	
KOREA LNG LIMITED	86,299	325	85,974	28,124	25,986	12,109	
KAPSTEX VINA., JSC	31,639	1,912	29,727	48,173	5,057	3,839	
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	10,271	4,104	6,167	3,658	417	365	
ELIAS AUTO INDIA PRIVATE LIMITED	6,231	4,879	1,353	13,706	255	166	
HY AUTO SOLUTION LLC	9,017	6,457	2,560	-	524	1,332	
Aeonus Co., Ltd.	6,803	4,480	2,323	12,275	545	896	
Infinite Marine Connect Co., Ltd.	4,721	2,836	1,886	6,351	771	800	
Prologue ventures New Technology Fund No.1	4,987	-	4,987	(229)	(354)	(354)	
Prologue Agricultural Food scale up Fund	15,885	-	15,885	19	(480)	(480)	
K-culture Global scale up Fund	16,224	342	15,882	19	(795)	(795)	
Prologue puzzle Corporate Restructuring New Technology Business Fund	25,201	175	25,026	324	(436)	(436)	
Shinhan Alpha Seosomun REIT Co., Ltd.	469,825	284,970	184,856	21,676	1,102	853	
D MEX AUSTRALIA PTY LTD	1,119	1,377	(258)	4,022	3	3	
EP FORKLIFTS AUSTRALIA PTY LTD	748	493	255	901	(159)	(146)	
HYUNDAI REEARTH CO.,LTD.	3,935	1,402	2,534	-	(24)	(24)	

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2024

	Assets		Liabilities		Equity		Sales	Profit (loss)	Total comprehensive income (loss)			
PT HD INTI. DEVE.	₩	4,548	₩	1,048	₩	3,500	₩	4,953	₩	757	₩	997
HYUNDAI YEMEN LNG COMPANY LIMITED		269,759		180,499		89,260		-		(735)		(66,978)
KOREA LNG LIMITED		99,435		358		99,077		90,636		88,622		(108,885)
KAPSTEX VINA., JSC		30,569		1,789		28,780		43,782		4,790		7,616
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		9,924		3,995		5,929		5,054		430		406
ELIAS AUTO INDIA PRIVATE LIMITED		2,403		1,216		1,187		5,214		(59)		60
HY AUTO SOLUTION LLC		7,383		6,155		1,228		-		(6,783)		(6,824)
Aeonus Co., Ltd.		4,465		3,637		828		2,108		(175)		(907)
KCA ESG No.1 Private Equity Investment Co., Ltd.		-		-		-		4		(21,000)		(21,001)
Infinite Marine Connect Co., Ltd.		1,322		237		1,085		2,385		525		572
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD		11,778		7,956		3,822		12,178		(152)		(9)
Prologue ventures New Technology Fund No.1		5,340		-		5,340		130		9		9
Prologue Agricultural Food scale up Fund		12,168		3		12,165		15		(327)		(327)
K-culture Global scale up Fund		11,053		76		10,977		30		(389)		(389)
Prologue puzzle Corporate Restructuring New Technology Business Fund		10,018		119		9,899		40		(439)		(459)
Shinhan Alpha Seosomun REIT Co.,Ltd.		480,835		308,133		172,702		7,855		(4,110)		(4,110)

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The tables below provide a reconciliation of the summarized financial information presented to the carrying amount of its interests in joint ventures and associates.

<i>(in millions of Korean won)</i>	2025					
	Interest in net assets		Goodwill	Others	Book amount	
PT HD INTI. DEVE.	₩	1,872	₩	-	₩	1,872
HYUNDAI YEMEN LNG COMPANY LIMITED ¹		24,076		-	6,525	30,601
KOREA LNG LIMITED		17,195		-	-	17,195
KAPSTEX VINA., JSC		3,864		1,379	-	5,243
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		1,233		-	2	1,235
ELIAS AUTO INDIA PRIVATE LIMITED		690		-	-	690
HY AUTO SOLUTION LLC		1,280		-	-	1,280
Aeonus Co., Ltd.		194		573	(102)	665
Infinite Marine Connect Co., Ltd.		924		-	-	924
Prologue ventures New Technology Fund No.1		907		-	-	907
Prologue Agricultural Food scale up Fund		4,160		-	-	4,160
K-culture Global scale up Fund		3,622		-	-	3,622
Prologue puzzle Corporate Restructuring New Technology Business Fund		4,555		-	-	4,555
Shinhan Alpha Seosomun REIT Co., Ltd. ¹		92,428		-	(16,865)	75,563
D MEX AUSTRALIA PTY LTD		(124)		-	-	(124)
EP FORKLIFTS AUSTRALIA PTY LTD		127		-	-	127
HYUNDAI REEARTH CO.,LTD.		1,269		844	-	2,113

¹ Adjusted amount considering contractual terms regarding dividends.

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<i>(in millions of Korean won)</i>	2024			
	Interest in net assets	Goodwill	Others	Book amount
PT HD INTI. DEVE.	₩ 1,925	₩ -	₩ -	₩ 1,925
HYUNDAI YEMEN LNG COMPANY LIMITED ¹	45,522	-	13,554	59,076
KOREA LNG LIMITED	19,815	-	-	19,815
KAPSTEX VINA., JSC	3,742	1,378	-	5,120
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	1,186	-	-	1,186
ELIAS AUTO INDIA PRIVATE LIMITED	605	-	-	605
HY AUTO SOLUTION LLC	614	-	-	614
Aeonus Co., Ltd.	71	520	-	591
Infinite Marine Connect Co., Ltd.	531	-	-	531
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	1,911	1,328	-	3,239
Prologue ventures New Technology Fund No.1	971	-	-	971
Prologue Agricultural Food scale up Fund	3,187	-	-	3,187
K-culture Global scale up Fund	2,504	-	-	2,504
Prologue puzzle Corporate Restructuring New Technology Business Fund	1,802	-	-	1,802
Shinhan Alpha Seosomun REIT Co., Ltd. ¹	86,351	-	(5,406)	80,945

¹ Adjusted amount considering contractual terms regarding dividends.

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16. Resource Development

The Group organized a consortium that includes Korea National Oil Corporation to invest in exploration of resource projects, and the details as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

Project name	Accounts	2025	2024	Production commencement
Vietnam 11-2 sector	Overseas mining development costs ¹	₩ -	₩ -	Sale settlement completed
Yemen LNG (HYLNG) ²	Investments in joint ventures (HYUNDAI YEMEN LNG COMPANY LIMITED)	30,601	59,076	
	Investments in resource development projects ³	11,284	17,357	2009
	Long-term loan receivables ⁴	8,343	16,729	
	Accrued income ⁵	3,824	7,688	
Oman LNG ⁶	Investments in associates (KOREA LNG LIMITED)	17,195	19,815	2000
Qatar LNG	Financial assets at fair value through other comprehensive income (KOREA Ras Laffan LNG Ltd.)	14,462	28,752	1999
	Investments in resource development projects	11,284	17,357	
	Long-term loan receivables	8,343	16,729	
	Accrued income	3,824	7,688	
	Investments in joint ventures and associates	47,796	78,891	
	Financial assets at fair value through other comprehensive income	14,462	28,752	

¹ In 2018, the Group recognized an impairment loss for the entire amount of overseas mining development costs of the mining project considering its low profitability. The Group has recognized a provision for the onerous contract related to the overseas mining development costs. Disposal was completed in October 2024 and the settlement for disposal was completed as at December 31, 2025.

² The production of the project commenced on October 15, 2009 with two (2) long-term sales contracts with Suez LNG Trading S.A. and Total Gas & Power Ltd. However, the production suspended due to Yemeni Civil War that broke out in April 2015 and as at December 31, 2025, the resumption of production is estimated to occur between 2027 and 2034, with weighted average probabilities applied to each year. HYUNDAI YEMEN LNG COMPANY LIMITED, a joint venture, estimated the fair value of Yemen LNG's share by applying the discounted cash flow model. In this valuation, assumptions such as future cash flows and discount rates for the estimation period are used. The Group recognized share of other comprehensive income (loss) of associates and joint

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ventures of ₩ (-)28,035 million in relation to the fair value of Yemen LNG's share for the year ended December 31, 2025 (Note 15).

³ ₩ 7,465 million of allowance for credit losses was recognized for the year ended December 31, 2025.

⁴ ₩ 8,369 million of allowance for credit losses was recognized for the year ended December 31, 2025.

⁵ ₩ 4,737 million of allowance for credit losses was recognized for the year ended December 31, 2025.

⁶ KOREA LNG LIMITED, an associate, estimated the fair value of Oman LNG's shares by applying the discounted cash flow model. In this valuation, assumptions such as future cash flows and discount rates for the estimation period are used. The Group recognized share of other comprehensive income (loss) of associates and joint ventures of ₩ (-)2,775 million in relation to the fair value of Oman LNG's shares for the year ended December 31, 2025 (Note 15).

The pre-tax comprehensive income (loss) from investments in resources development project for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

Project name	Description	2025		2024	
Vietnam 11-2 sector	Sales	₩	-	₩	2,391
	Cost of sales		-		(2,479)
Yemen LNG (HYUNDAI YEMEN LNG COMPANY LIMITED)	Losses of associates and joint ventures accounted for using equity method		(440)		(375)
	Share of other comprehensive income (loss) of associates and joint ventures		(28,035)		(38,096)
	Other bad debt expense		(20,571)		(17,924)
Oman LNG (KOREA LNG LIMITED)	Profits of associates and joint ventures accounted for using equity method		5,197		17,724
	Share of other comprehensive income (loss) of associates and joint ventures		(2,775)		(39,501)
Qatar LNG (KOREA Ras Laffan LNG Ltd.)	Other comprehensive income (loss)		(14,290)		(6,902)
	Dividend income		4,879		13,742
		₩	<u>(56,035)</u>	₩	<u>(71,420)</u>

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The equity interests in investments in the resource development project as at December 31, 2025, are as follows:

(in percentage, %)

Project name	Consortium interest in investments ¹	Equity interests of the Group in consortium ²
Vietnam 11-2 sector ³	-	-
Yemen LNG (HYUNDAI YEMEN LNG COMPANY LIMITED)	5.9	51.0
Oman LNG (KOREA LNG LIMITED)	5.0	20.0
Qatar LNG (KOREA Ras Laffan LNG Ltd.)	5.0	8.0

¹ Represents the interests of the consortium in which the Group is involved.

² Represents the Group's interests within the consortium.

³ Disposal was completed in October 2024 and the settlement for disposal was completed as at December 31, 2025.

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17. Property, Plant and Equipment

Changes in the book amount of property, plant and equipment for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)	2025						
	Land	Buildings	Machinery	Vehicles	Constructi on- in- progress	Others	Total
Opening net book amount							
Cost	₩ 1,097	₩ 28,964	₩ 24,140	₩ 1,389	₩ -	₩ 8,491	₩ 64,081
Accumulated depreciation	-	(3,874)	(8,458)	(900)	-	(7,127)	(20,359)
Accumulated impairment losses	-	(1,839)	-	-	-	-	(1,839)
Net book amount	1,097	23,251	15,682	489	-	1,364	41,883
Changes during the year							
Acquisitions/capital expenditures	2,087	3,190	1,822	8,310	4,728	976	21,113
Sales	-	-	(749)	(876)	-	(59)	(1,684)
Depreciation	-	(983)	(2,116)	(4,454)	-	(687)	(8,240)
Transfer ¹	1,318	3,340	-	-	-	194	4,852
Changes in scope of consolidation	21,951	28,457	13,282	19,894	1,735	1,803	87,122
Exchange differences, etc.	-	(700)	(464)	892	(1)	(16)	(289)
Closing net book amount	₩ 26,453	₩ 56,555	₩ 27,457	₩ 24,255	₩ 6,462	₩ 3,575	₩ 144,757
Closing net book amount							
Cost	₩ 26,453	₩ 66,245	₩ 45,106	₩ 40,950	₩ 6,462	₩ 13,720	₩ 198,936
Accumulated depreciation	-	(7,851)	(17,623)	(16,695)	-	(9,643)	(51,812)
Accumulated impairment losses	-	(1,839)	-	-	-	-	(1,839)
Government grants	-	-	(26)	-	-	(502)	(528)
Net book amount	₩ 26,453	₩ 56,555	₩ 27,457	₩ 24,255	₩ 6,462	₩ 3,575	₩ 144,757

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	2024						
	Land	Buildings	Machinery	Vehicles	Constructi on- in- progress	Others	Total
Opening net book amount							
Cost	₩ 1,069	₩ 18,384	₩ 23,228	₩ 1,205	₩ -	₩ 7,647	₩ 51,533
Accumulated depreciation	-	(3,344)	(7,141)	(880)	-	(6,701)	(18,066)
Accumulated impairment losses	-	(1,839)	-	-	-	-	(1,839)
Net book amount	<u>1,069</u>	<u>13,201</u>	<u>16,087</u>	<u>325</u>	<u>-</u>	<u>946</u>	<u>31,628</u>
Changes during the year							
Additions/capital expenditures	-	-	158	291	-	1,016	1,465
Sales	-	-	-	(4)	-	(161)	(165)
Depreciation	-	(498)	(1,309)	(131)	-	(511)	(2,449)
Transfer ¹	-	6,111	-	-	-	-	6,111
Valuation ²	-	2,017	-	-	-	-	2,017
Exchange differences, etc.	28	2,420	747	7	-	74	3,276
Closing net book amount	<u>₩ 1,097</u>	<u>₩ 23,251</u>	<u>₩ 15,682</u>	<u>₩ 489</u>	<u>₩ -</u>	<u>₩ 1,364</u>	<u>₩ 41,883</u>
Closing net book amount							
Cost	₩ 1,097	₩ 28,964	₩ 24,140	₩ 1,389	₩ -	₩ 8,491	₩ 64,081
Accumulated depreciation	-	(3,874)	(8,458)	(900)	-	(7,127)	(20,359)
Accumulated impairment losses	-	(1,839)	-	-	-	-	(1,839)
Net book amount	<u>₩ 1,097</u>	<u>₩ 23,251</u>	<u>₩ 15,682</u>	<u>₩ 489</u>	<u>₩ -</u>	<u>₩ 1,364</u>	<u>₩ 41,883</u>

¹ During the year ended December 31, 2024, investment properties of ₩ 17,833 million were transferred to buildings and buildings of ₩ 11,722 million were transferred to investment properties.

² The fair value measurement of buildings which were transferred to investment properties during the year ended December 31, 2024. The amount is recognized in other comprehensive income.

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Details of property, plant and equipment provided as collateral as at December 31, 2025, are as follows:

(in millions of Korean won)

	2025				
	Carrying amount	Secured amount	Related line item	Related amount	Secured party
Land, buildings and machinery	₩ 27,027	₩ 17,545		₩ 12,559	Woori Bank
		JPY 216,000		JPY 180,000	Shinhan Bank.
Land and buildings	9,940	8,258		6,882	Shinhan Bank
Land and buildings	3,864	959		1,165	HDFC Bank and others
Buildings	382	264	Borrowings	184	Kookmin Bank
Land and buildings	4,220	4,740	(Note22)	3,950	Woori Bank
Land	968	1,680		2,400	Shinhan Bank
Investment properties	13,224	5,903		5,518	UOB
Investment properties	JPY 1,534,614	JPY 720,000		JPY 588,333	Shinhan Bank
Vehicles	AUD 19,474	AUD 33,770		AUD 26,607	BOQ finance and others

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18. Leases

18.1 Right-of-use Assets

Changes in the carrying amount of right-of-use assets for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025			
	Properties	Vehicles	Others	Total
Opening net book amount				
Cost	₩ 31,082	₩ 1,558	₩ 713	₩ 33,353
Accumulated depreciation	(18,336)	(917)	(382)	(19,635)
Net book amount	<u>12,746</u>	<u>641</u>	<u>331</u>	<u>13,718</u>
Changes during the year				
Additions	4,269	549	8	4,826
Depreciation	(5,464)	(596)	(81)	(6,141)
Changes in scope of consolidation	3,405	642	-	4,047
Exchange differences, etc.	113	10	-	123
Closing net book amount	<u>15,069</u>	<u>1,246</u>	<u>258</u>	<u>16,573</u>
Closing net book amount				
Cost	38,391	2,981	708	42,080
Accumulated depreciation	(23,322)	(1,735)	(450)	(25,507)
Net book amount	<u>₩ 15,069</u>	<u>₩ 1,246</u>	<u>₩ 258</u>	<u>₩ 16,573</u>

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	2024			
	Properties	Vehicles	Others	Total
Opening net book amount				
Cost	₩ 25,891	₩ 1,702	₩ 403	₩ 27,996
Accumulated depreciation	(17,495)	(1,088)	(299)	(18,882)
Net book amount	8,396	614	104	9,114
Changes during the year				
Additions	8,692	310	308	9,310
Depreciation	(4,590)	(314)	(81)	(4,985)
Changes in scope of consolidation	-	-	-	-
Exchange differences, etc.	248	31	-	279
Closing net book amount	12,746	641	331	13,718
Closing net book amount				
Cost	31,081	1,558	713	33,352
Accumulated depreciation	(18,335)	(917)	(382)	(19,634)
Net book amount	₩ 12,746	₩ 641	₩ 331	₩ 13,718

18.2 Lease Liabilities

Changes in the carrying amount of lease liabilities for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025			2024		
	Current lease liabilities	Non-current lease liabilities	Total	Current lease liabilities	Non-current lease liabilities	Total
Beginning balance	₩ 4,991	₩ 10,639	₩ 15,630	₩ 5,892	₩ 4,234	₩ 10,126
Additions	525	3,874	4,399	40	10,083	10,123
Interest expenses	37	1,010	1,047	77	1,006	1,083
Lease payments	(4,421)	(2,908)	(7,329)	(4,451)	(1,801)	(6,252)
Changes in scope of consolidation	874	3,230	4,104	-	-	-
Others ¹	4,642	(4,106)	536	3,433	(2,883)	550
Ending balance	₩ 6,648	₩ 11,739	₩ 18,387	₩ 4,991	₩ 10,639	₩ 15,630

¹ It includes the amount of transfer to current portions and the effect of exchange differences.

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18.3 Amounts Recognized in Consolidated Statements of Comprehensive Income Related to Leases

<i>(in millions of Korean won)</i>	2025		2024	
Depreciation of right-of-use assets	₩	(6,141)	₩	(4,985)
Interest expense on lease liabilities (finance cost)		(1,048)		(1,083)
Expense relating to short-term leases (selling and administrative expenses)		(195)		(199)
Expense relating to leases of low-value assets (selling and administrative expenses)		(43)		(43)
Interest income relating to finance lease receivables (finance income)		91		111
	₩	<u>(7,336)</u>	₩	<u>(6,199)</u>

18.4 Group as a Lessor

The Group has entered into a sub-lease contract on offices with Hyundai Corporation Holdings Co., Ltd. etc. Future undiscounted rentals relating the sub-lease contract as at December 31, 2025 are as follows:

<i>(in millions of Korean won)</i>	2026		2027		2028		2029	
Annual rentals	₩	445	₩	450	₩	481	₩	117

18.5 The total cash outflow for leases in 2025 was ₩ 7,133 million (2024: ₩ 6,074 million).

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19. Investment Properties

Changes in investment properties for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025			2024		
	Land	Buildings	Total¹	Land	Buildings	Total¹
Beginning balance	₩ -	₩ 12,768	₩ 12,768	₩ 263,550	₩ 103,489	₩ 367,039
Acquisitions	12,866	1,917	14,783	-	-	-
Disposal	-	-	-	(263,550)	(86,450)	(350,000)
Valuation	-	352	352	-	-	-
Changes due to exchange differences	(448)	(20)	(468)	-	1,840	1,840
Transfer ²	-	-	-	-	(6,111)	(6,111)
Ending balance	₩ 12,418	₩ 15,017	₩ 27,435	₩ -	₩ 12,768	₩ 12,768

¹ Investment properties of the Group are pledged as collateral for real estate mortgage loan from UOB and Shinhan Bank (Note 22).

² During the year ended December 31, 2024, investment properties of ₩ 17,833 million were transferred to buildings and buildings of ₩ 11,722 million were transferred to investment properties.

Details of income and expenses associated with investment properties for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025	2024
Other income		
Rental income derived from investment properties	₩ 864	₩ 10,718
Gain on disposal of investment properties ¹	-	78,123
Others	20	284
	<u>884</u>	<u>89,125</u>
Other expenses		
Operating expenses	106	3,471
Fees	13	5,453
Others ²	1	46,403
	<u>120</u>	<u>55,327</u>
Interest expenses	211	3,076
Profit arising from investment properties carried at fair value	₩ 553	₩ 30,722

¹ The Group recognizes gain on disposal of investment properties held by Hangang Domestic General Private Equity in Real Estate Investment Trust No.13 during the year ended December 31, 2024.

² It includes the distributions on the agreement between the investors regarding non-controlling interests liabilities (Type 1 beneficiary securities) and performance fee to a managing partner during

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the year ended December 31, 2024.

Description of valuation techniques used and key inputs to valuation of investment properties as at December 31, 2025, is follow:

(in millions of Korean won)

Fair value	Level	Valuation techniques	Inputs	Range of inputs (weighted average)
₩ 27,435	3	Comparable method	Costs of cases	Similar cases considering the factors of location and region

20. Intangible Assets

Changes in intangible assets for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025				2024			
	Mining rights	Others ¹	Goodwill	Total	Mining rights	Others ¹	Total	
Beginning balance	₩ -	₩ 9,495	₩ -	₩ 9,495	₩ -	₩ 9,961	₩ 9,961	
Acquisitions/ capital expenditures	-	1,296	-	1,296	-	17	17	
Sales	-	(715)	-	(715)	-	-	-	
Amortization	-	(1,133)	-	(1,133)	-	(595)	(595)	
Others	-	(209)	-	(209)	-	-	-	
Exchange differences	-	515	-	515	-	112	112	
Changes in scope of consolidation	-	6,118	15,787	21,905	-	-	-	
Ending balance	₩ -	₩ 15,367	₩ 15,787	₩ 31,154	₩ -	₩ 9,495	₩ 9,495	
Acquisition cost	₩ 44,372	₩ 22,600	₩ 15,787	₩ 82,759	₩ 44,372	₩ 16,939	₩ 61,311	
Accumulated amortization ²	(44,372)	(7,091)	-	(51,463)	(44,372)	(7,444)	(51,816)	
Government grants	-	(142)	-	(142)	-	-	-	

¹ It includes membership rights and others.

² It includes accumulated impairment losses.

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21. Other Liabilities

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

<i>(in millions of Korean won)</i>	2025	2024
Other current liabilities		
Withholdings	₩ 1,473	₩ 1,701
Guarantee deposits	882	711
Accrued expenses	16,364	7,436
Unearned revenues	4,479	-
Other current financial liabilities	255	29
	<u>23,453</u>	<u>9,877</u>
Other non-current liabilities		
Leasehold deposits received	608	438
Liabilities related to non-controlling interests	17,397	-
Redeemable convertible preferred shares	1,574	-
	<u>19,579</u>	<u>438</u>
	<u>₩ 43,032</u>	<u>₩ 10,315</u>

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22. Borrowings

Details of carrying amount of borrowings as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

Category	Purpose	Creditor	Maturity	Interest rate (%)	2025	2024
Foreign currency short-term borrowings	D/A NEGO and others ¹	Woori Bank and others	-	-	₩ 357,955	₩ 142,785
	USANCE and others	The Korea Development Bank and others	-	1.6~8.9	278,706	178,200
	Chattel mortgage loan ²	BOQ and others	-	9.73	25,570	-
	Real estate mortgage loan ³	Shinhan Bank	May. 29, 2026	1.60	5,399	-
	Real estate mortgage loan ⁴	Woori Bank	Jul. 8, 2026	1.70	1,652	-
	Working capital ⁴	HDFC and others	Aug. 20, 2026	SARON 6M + 0.15	2,367	-
Korean won short-term borrowings	Real estate mortgage loan ⁴	Woori Bank and others	Jul. 30, 2026	2.84~3.89	6,352	-
	Working capital	Shinhan Bank	Dec. 19, 2026	0.50~3.63	4,777	-
					<u>682,778</u>	<u>320,985</u>
Foreign currency long-term borrowings		China Construction Bank ⁵	Feb. 2, 2026	3M Term SOFR+0.6	42,310	43,126
		AOZORA Bank	Mar. 30, 2029	1.00	807	1,030
		AOZORA Bank	Mar. 29, 2030	1.00	321	393
	Working capital	THE TOKUSHIMA TAISHO BANK	Sep. 30, 2030	1.00	739	910
		The Iyo Bank	Jan. 31, 2040	1.00	2,104	2,304
		Woori Bank	Jun. 22, 2028	3M TIBOR+1.9	1,685	-
	Real estate mortgage loan ⁶	UOB	Mar. 5, 2040	SORA + 0.7 / 1.0	5,518	-
		DBS	-	-	-	5,652
Korean won long-term borrowings	Chattel mortgage loan ⁴	Woori Bank	Jun. 16, 2031	1.50	774	-
	Real estate mortgage loan ⁴	Kookmin Bank	Jan. 28, 2026	3.87	184	-
		Woori Bank	Jun. 2, 2028	3.72	3,950	-
		Woori Bank	Jun. 15, 2033	1.50	129	-
	Facility loans ⁴	Woori Bank	Oct. 31, 2028	2.91~3.70	8,833	-
		Shinhan Bank	Jul. 25, 2026	2.58	1,200	-
		Shinhan Bank	Oct. 30, 2026	2.67	2,800	-
		Woori Bank	Jun. 30, 2027	2.98	861	-
	Working capital	Industrial Bank Of Korea	Jul. 1, 2026	3.29	500	-
		Bank of China	Jan. 23, 2026	3M CD+1.52	-	20,000

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Category	Purpose	Creditor	Maturity	Interest rate (%)	2025	2024
					72,715	73,415
Less: current portion					(54,939)	(987)
					17,776	72,428
					₩ 755,493	₩ 394,400

¹ Trade receivables are pledged as collateral (Note 8).

² In relation to the borrowings, the Group's vehicles are provided as collateral (Note 17).

³ In relation to the borrowings, the Group's investment property is provided as collateral (Note 17, 19).

⁴ In relation to the borrowings, the Group's land, buildings and machinery are provided as collateral (Note 17).

⁵ In relation to the foreign currency borrowings, the Group entered into the CRS contract to hedge the variable interest rate and exchange fluctuation risk.

⁶ In relation to the borrowings, the Group's investment property and right of the insurance claim for the investment property are provided as collateral (Note 17, 19).

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

(in millions of Korean won)

Category	Managing company	Issue date	Maturity	Interest rate (%)	2025	2024
42-1st non-guarantee public bonds	Korea Securities Depository	Mar. 5, 2024	Mar. 5, 2026	4.32	₩ 40,000	₩ 40,000
42-2nd non-guarantee public bonds	Korea Securities Depository	Mar. 5, 2024	Mar. 5, 2027	4.61	60,000	60,000
					100,000	100,000
Less: discount on debentures					(101)	(289)
Less: current portion					(39,978)	-
					₩ 59,921	₩ 99,711

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23. Net Defined Benefit Liabilities (Assets)

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

<i>(in millions of Korean won)</i>	2025		2024	
Present value of funded defined benefit obligations	₩	43,575	₩	34,494
Fair value of plan assets ¹		<u>(42,306)</u>		<u>(34,340)</u>
Net defined benefit liabilities (assets)	₩	<u>1,269</u>	₩	<u>154</u>

¹ The contributions to the National Pension Fund of ₩ 16 million are included in the fair value of plan assets as at December 31, 2025 (2024: ₩ 16 million).

Movements in the defined benefit obligations for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Beginning balance	₩	34,494	₩	30,249
Current service cost		4,306		3,216
Interest cost		711		617
Remeasurements:		646		2,651
Actuarial loss (gain) arising from change in demographic assumptions		-		40
Actuarial loss (gain) arising from change in financial assumptions		(584)		553
Actuarial loss arising from experience adjustments		1,230		2,058
Transfer from (to) related companies		85		588
Benefit payments		(2,072)		(2,875)
Exchange differences		(30)		48
Changes in scope of consolidation		5,435		-
Ending balance	₩	<u>43,575</u>	₩	<u>34,494</u>

The expected maturity analysis of undiscounted pension benefits as at December 31, 2025, is as follows:

<i>(in millions of Korean won)</i>	Less than 1 year		Between 1-2 years		Between 2-5 years		Between 5-10 years		Over 10 years		Total	
Pension benefits	₩	3,299	₩	25,261	₩	7,071	₩	10,249	₩	30,054	₩	75,934

The weighted average duration of the defined benefit obligation is 7.24 years.

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Movements in the fair value of plan assets for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Beginning balance	₩	34,340	₩	31,410
Interest income		1,415		1,375
Remeasurements		(441)		(344)
Contributions by employer		6,121		4,165
Benefit payments		(1,416)		(2,266)
Changes in scope of consolidation		2,287		-
Ending balance	₩	<u>42,306</u>	₩	<u>34,340</u>

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

<i>(in percentage, %)</i>	2025		2024	
Discount rate		1.95~7.01		3.91~4.03
Future salary growth rate		0.1~4.5		4.00~4.50

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Changes in principal assumption	Impact on defined benefit obligation
Discount rate	1% increase	2.71% decrease
	1% decrease	3.22% increase
Future salary growth rate	1% increase	3.26% increase
	1% decrease	2.79% decrease

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

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

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

(in millions of Korean won)

	2025		2024	
	Amount	Composition (%)	Amount	Composition (%)
National Pension Fund	₩ 16	-	₩ 16	0.1
Financial instruments and others	42,290	100	34,324	99.9
	₩ 42,306	100	₩ 34,340	100

24. Provisions

Changes in provisions for other liabilities and charges for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025				
	Restoration	Legal claim ⁴	Financial guarantee ²	Warranty ⁵	Total
Beginning balance	₩ 292	₩ 515	₩ -	₩ -	₩ 807
Additional provisions	23	-	-	-	23
Reversal	-	(394)	-	-	(394)
Payment of provisions	(11)	(81)	-	-	(92)
Interest expense	-	-	-	-	-
Foreign currency translation	15	(40)	-	-	(25)
Changes in scope of consolidation	-	-	-	207	207
Ending balance	319	-	-	207	526
Less: current portion	(23)	-	-	(207)	(230)
Non-current	₩ 296	₩ -	₩ -	₩ -	₩ 296

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<i>(in millions of Korean won)</i>	2024				
	Restoration ¹	Onerous contract ³	Legal claim ⁴	Financial guarantee ²	Total
Beginning balance	₩ 583	₩ 2,220	₩ 1,871	₩ 1	₩ 4,675
Additional provisions	-	-	915	-	915
Reversal	(174)	(270)	-	(1)	(445)
Payment of provisions	(149)	(2,105)	(1,461)	-	(3,715)
Interest expense	5	67	-	-	72
Foreign currency translation	27	88	(810)	-	(695)
Changes in scope of consolidation	-	-	-	-	-
Ending balance	292	-	515	-	807
Less: current portion	-	-	-	-	-
Non-current	₩ 292	₩ -	₩ 515	₩ -	₩ 807

¹ It is the present value of the estimated recovery cost until the completion of the 11-2 mine production in Vietnam, which was disposed completely in October 2024 and the settlement for disposal was completed as at December 31, 2025.

² It is provisions related to payment guarantee contract for overseas associates.

³ It is present value of the expected amount of compensation for losses incurred when the minimum guaranteed quantity is not met in relation to the transportation contract for liquefied natural gas produced in the 11-2 mine in Vietnam. Disposal was completed in October 2024 and the liquidation was completed as at December 31, 2025.

⁴ It was concluded during the year ended December 31, 2025, with the Group's favorable judgment, and the provision payment relates to legal fees.

⁵ It is recognized that a provision for warranty has been established for the expected future costs related to defects in products sold, and the provision is calculated as a certain percentage of sales based on historical experience rates and other.

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25. Tax Expense (Income) and Deferred Tax

Income tax expense (income) for the years ended December 31, 2025 and 2024, consists of:

<i>(in millions of Korean won)</i>	2025	2024
Current tax on profit for the year	₩ 9,151	₩ 43,219
Adjustments in respect of prior years	297	(4,948)
Origination and reversal of temporary differences	(20,999)	(4,092)
Refund from claim for reassessment and others	(4)	(2,676)
Others	26	(24)
Income tax expense (income)	<u>₩ (11,529)</u>	<u>₩ 31,479</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

<i>(in millions of Korean won)</i>	2025	2024
Profit before income tax expense	₩ 75,255	₩ 152,454
Tax at domestic tax rates applicable to profits in the respective countries	29,655	43,552
Tax effects of:		
Non-deductible expenses and non-taxable income for tax purposes	(7,679)	(3,102)
Adjustments in respect of current income tax of prior years	297	(4,948)
Refund from claim for reassessment and others	(4)	(2,676)
Deferred tax assets on carryforward tax losses	(32,521)	-
Others	(1,277)	(1,347)
Income tax expense (income)	<u>₩ (11,529)</u>	<u>₩ 31,479</u>
Effective tax rate ¹	-	20.65%

¹ Effective tax rate is not computed for the year ended December 31, 2025, as income tax benefit was incurred.

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The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2025 and 2024, is as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Gains on valuation of financial assets at fair value through other comprehensive income	₩	3,363	₩	1,877
Share of other comprehensive income of associates and joint ventures		5,559		21,452
Exchange differences on translation of foreign operations		400		(2,268)
Remeasurements		337		723
Losses on valuation of derivative instruments with cash flow hedges		(91)		(136)
	₩	<u>9,568</u>	₩	<u>21,648</u>

The analysis of deferred tax assets and liabilities as of December 31, 2025 and 2024, is as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	₩	33,135	₩	19,893
Deferred tax asset to be recovered within 12 months		15,519		2,644
Deferred tax liabilities				
Deferred tax liability to be recovered after more than 12 months		(36,914)		(42,245)
Deferred tax liability to be recovered within 12 months		(32)		(86)
Deferred tax assets (liabilities), net	₩	<u>11,708</u>	₩	<u>(19,794)</u>

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The movements in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in millions of Korean won)

	2025				
	Beginning balance	Profit or loss	Other comprehensive income (loss)	Changes in scope of consolidation	Ending balance
Financial assets at fair value	₩ (5,461)	₩ 301	₩ 3,363	₩ -	₩ (1,797)
Investments in subsidiaries, joint ventures and associates	(24,723)	(896)	5,559	-	(20,060)
Allowance for doubtful	9,048	(9,048)	-	-	-
Gain (loss) on foreign currency translation	(304)	(14)	400	-	82
Provisions	421	(124)	-	-	297
Net defined benefit liability	437	(768)	337	-	6
Carryforward tax losses	-	32,521	-	-	32,521
Other	788	(973)	(91)	935	659
	<u>₩ (19,794)</u>	<u>₩ 20,999</u>	<u>₩ 9,568</u>	<u>₩ 935</u>	<u>₩ 11,708</u>

(in millions of Korean won)

	2024			
	Beginning balance	Profit or loss	Other comprehensive income (loss)	Ending balance
Financial assets at fair value	₩ (7,356)	₩ 18	₩ 1,877	₩ (5,461)
Investments in subsidiaries, joint ventures and associates	(46,337)	2,193	19,421	(24,723)
Intangible assets	368	(368)	-	-
Allowance for doubtful	4,908	4,140	-	9,048
Gain (loss) on foreign currency translation	(305)	1	-	(304)
Provisions	1,546	(1,125)	-	421
Net defined benefit liability	(246)	(40)	723	437
Other	1,888	(727)	(373)	788
	<u>₩ (45,534)</u>	<u>₩ 4,092</u>	<u>₩ 21,648</u>	<u>₩ (19,794)</u>

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Realization of the future tax benefits related to deferred tax assets is dependent on many factors, including the Group's ability to generate taxable income within the period during which the temporary differences reverse, the outlook of the Korean economic environment, and the overall future industry outlook. Management periodically considers these factors in reaching its conclusion. The Group has not recognized deferred tax assets of ₩ 40,232 million (2024: ₩ 66,103 million) related to subsidiaries and associates whose realizability is uncertain and such amount can be changed if estimation of the future tax benefits changes.

Under the global minimum tax legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. However, most jurisdictions have passed the transitional exemption provisions or have an effective tax rate of 15% or higher, so it is judged that a significant level of additional tax will not arise. Accordingly, the Group has not recognized any amount as current income tax expense related to the global minimum tax. The Group applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to the global minimum tax.

26. Accumulated Other Comprehensive Income and Other Components of Equity

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

<i>(in millions of Korean won)</i>	2025		2024	
Treasury shares	₩	(21,062)	₩	(21,062)
Other capital adjustments		(19,027)		(19,027)
Loss from spin-off		(242,051)		(242,051)
	₩	<u>(282,140)</u>	₩	<u>(282,140)</u>

Details of accumulated other comprehensive income as at December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Gains on valuations of financial assets at fair value	₩	10,906	₩	21,440
Revaluation Surplus		2,017		2,017
Share of other comprehensive income of joint ventures and associates		39,501		64,835
Losses on valuation of derivative instruments		(14)		(297)
Exchange differences on translation of foreign operations		17,248		18,597
	₩	<u>69,658</u>	₩	<u>106,592</u>

The Parent Company has 1,218,000 shares and 1,218,000 shares of common shares as treasury shares as at December 31, 2025 and 2024, respectively.

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27. Retained Earnings

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

<i>(in millions of Korean won)</i>	2025		2024	
Legal reserves ¹	₩	12,678	₩	11,822
Unappropriated retained earnings		<u>826,338</u>		<u>749,558</u>
	₩	<u>839,016</u>	₩	<u>761,380</u>

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

The dividends paid in 2025 and 2024 were ₩ 8,408 million (₩ 700 per share) and ₩ 7,207 million (₩ 600 per share), respectively. A dividend for the year ended December 31, 2025, of ₩ 700 per share, amounting to total dividends of ₩ 8,408 million, is to be proposed at the annual general meeting on March 31, 2026.

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28. Revenue and Cost of Sales from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2025 and 2024:

<i>(in millions of Korean won)</i>	2025	2024
Type of goods or service:		
Merchandise sales	₩ 7,192,858	₩ 6,613,386
Product sales	82,864	47,405
Commissions	100,091	83,932
Resource development	-	2,391
Transportation sales	178,473	248,549
	<u>₩ 7,554,286</u>	<u>₩ 6,995,663</u>
Geographical markets:		
Republic of Korea	₩ 639,924	₩ 877,612
America	1,934,598	1,895,033
Asia	3,621,183	3,085,972
Europe	905,400	766,423
Others	453,181	370,623
	<u>₩ 7,554,286</u>	<u>₩ 6,995,663</u>
Timing of revenue recognition:		
Goods and services transferred at a point in time	₩ 7,375,813	₩ 6,747,114
Goods and services transferred over time	178,473	248,549
	<u>₩ 7,554,286</u>	<u>₩ 6,995,663</u>

Details of cost of sales for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025	2024
Cost of merchandise sales	₩ 6,941,290	₩ 6,376,665
Cost of product sales	72,498	44,559
Cost of commissions	80,004	82,575
Cost of resource development	-	2,479
Cost of transportation	172,833	240,922
	<u>₩ 7,266,625</u>	<u>₩ 6,747,200</u>

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There are no external customers, who contribute more than 10% of the Group's revenue for the years ended December 31, 2025 and 2024.

29. Breakdown of Expenses by Nature

Expenses by nature included in the cost of sales and selling and administrative expenses in the consolidated income statement for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Changes in inventories	₩	6,710,473	₩	6,274,809
Wages and salaries		74,742		59,752
Employee benefits		9,380		7,375
Depreciation		14,381		7,434
Amortization		1,133		595
Distribution expenses		409,518		379,605
Service fees		61,984		57,040
Others		132,544		75,524
Total cost of sales and selling and administrative expenses	₩	<u>7,414,155</u>	₩	<u>6,862,134</u>

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30. Selling and Administrative Expenses

Details of selling and administrative expenses for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Wages and salaries	₩	66,140	₩	56,069
Post-employment benefits		3,515		2,378
Employee benefits		8,966		7,308
Travel expenses		7,408		6,104
Taxes and dues		2,261		1,828
Entertainment expenses		3,911		3,618
Overseas branch expenses ¹		7,833		6,755
Rental expenses		779		1,105
Service fees		15,964		12,637
Computer system expenses		2,068		1,668
Depreciation		11,339		5,803
Amortization		882		532
(Reversal of) bad debt expenses		(57)		1,057
General research expenses		4,652		-
Others		11,868		8,072
	₩	<u>147,529</u>	₩	<u>114,934</u>

¹ Among overseas branch expenses, the amount of ₩ 87 million presents post-employment benefits for the year ended December 31, 2025 (2024: ₩ 80 million).

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31. Other Income and Expenses

Details of other income for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Gains on foreign currency transaction	₩	95,524	₩	93,375
Gains on foreign currency translation		8,750		33,136
Dividend income		5,057		13,773
Gains on transaction of derivatives		60,994		29,412
Gains on valuation of derivatives		10,959		10,958
Gains on disposal of property, plant and equipment		103		22
Gain on disposal of investment properties		-		78,123
Gain on disposal of associate		23		-
Gain on disposal of subsidiary		-		15
Reversal of provision		395		444
Reversal of other bad debt expense		-		4,454
Gains on disposal of financial assets at fair value through profit or loss		301		320
Gain on valuation of financial assets at fair value through profit or loss		1,042		-
Others		9,978		17,888
	₩	<u>193,126</u>	₩	<u>281,920</u>

Details of other expenses for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Losses on foreign currency transaction	₩	105,863	₩	95,991
Losses on foreign currency translation		13,958		17,498
Contributions		152		55
Losses on disposal of property, plant and equipment		59		160
Loss on disposal of intangible assets		15		-
Losses on disposal of financial assets at fair value through profit or loss		6		23
Losses on valuation of financial assets at fair value through profit or loss		1,269		100
Losses on transaction of derivatives		65,698		45,185
Losses on valuation of derivatives		9,486		8,676
Losses on disposal of trade receivables		6,778		14,895
Addition to provision		23		915
Other bad debt expense		20,060		20,550
Others		6,573		57,287
	₩	<u>229,940</u>	₩	<u>261,335</u>

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32. Finance Income and Costs

Details of finance income for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Gains on foreign currency transaction	₩	38,374	₩	37,559
Gains on foreign currency translation		1,900		2,096
Interest income		10,009		10,494
	₩	<u>50,283</u>	₩	<u>50,149</u>

Details of finance costs for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025		2024	
Losses on foreign currency transaction	₩	39,550	₩	21,259
Losses on foreign currency translation		889		6,308
Interest expense		43,543		30,233
	₩	<u>83,982</u>	₩	<u>57,800</u>

33. Earnings per Share

The following table reflects the income and share data used in the basic earnings per share computations for the years ended December 31, 2025 and 2024:

<i>(in Korean won)</i>	2025		2024	
Profit attributable to the ordinary equity holders of the Parent Company	₩	86,795,109,527	₩	121,067,859,024
Weighted average shares <i>(in shares)</i>		12,010,966		12,010,966
Basic earnings per share	₩	<u>7,226</u>	₩	<u>10,080</u>

The Group did not issue any potential ordinary shares. Therefore, basic earnings per share is identical to diluted earnings per share.

Weighted average number of ordinary shares outstanding for the years ended December 31, 2025 and 2024, is computed as follows:

<i>(in shares)</i>	2025		2024	
Ordinary shares outstanding accumulated		4,384,002,590		4,384,002,590
Days		365		365
Weighted average number of ordinary shares		<u>12,010,966</u>		<u>12,010,966</u>

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34. Cash Generated from (Used in) Operations

(a) Cash flows generated from (used in) operations

<i>(in millions of Korean won)</i>	2025		2024	
Profit	₩	86,785	₩	120,975
Adjustments for:				
Interest income		(10,009)		(10,494)
Interest expense		43,543		30,233
Income tax expense (income)		(11,529)		31,479
Dividend income		(5,057)		(13,773)
Depreciation		14,381		7,434
Amortization		1,133		595
Post-employment benefits		3,602		2,458
Bad debt expense		(57)		1,057
Gains on valuation of derivatives		(1,473)		(2,282)
Gains on disposal of financial assets at fair value through profit or loss		(295)		(297)
Losses on valuation of financial assets at fair value through profit or loss		227		100
Loss (gain) on foreign currency translation		4,197		(11,426)
Losses on foreign currency transaction		267		159
Other bad debts expense		20,060		16,096
Losses on disposal of trade receivables		6,778		14,895
Share of profit of joint ventures and associates		(5,634)		(5,521)
Loss (gain) on disposal of property, plant and equipment		(44)		138
Loss on disposal of intangible assets		15		-
Gain on disposal of investment properties		-		(78,123)
Inclusion to (reversal of) provisions		(371)		471
(Reversal of) Loss on valuation of inventories		(499)		-
Gain on valuation of investment properties		(352)		-
Other		(638)		43,996
		<u>58,245</u>		<u>27,195</u>
Change in operating assets and liabilities:				
Increase in trade receivables		(130,243)		(179,487)
Increase in inventories		(24,902)		(31,836)
Decrease (increase) in derivative financial assets		21,216		(151)
Decrease (increase) in other current receivables		(8,537)		1,228
Increase in other current assets		(44,336)		(36,630)
Decrease (increase) in other non-current receivables		(480)		4,337
Decrease (increase) in other non-current assets		2,037		(240)

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<i>(in millions of Korean won)</i>	2025	2024
Increase (decrease) in trade payables	(204,424)	124,305
Increase (decrease) in non-trade payables	(10,083)	21,622
Decrease in derivative financial liabilities	(21,322)	(68)
Increase in advances from customers	20,815	21,216
Decrease in unearned revenues	(612)	-
Increase in other current liabilities	6,047	292
Increase (decrease) in other non-current liabilities	1,475	(126)
Post-employment benefits paid	(656)	(609)
Transfer to (from) affiliates	85	588
Contributions to plan assets	(6,121)	(4,165)
Decrease in provisions	(91)	(3,591)
Others	(2,132)	1,138
	<u>(402,264)</u>	<u>(82,177)</u>
Cash generated from (used in) operations	<u>₩ (257,234)</u>	<u>₩ 65,993</u>

(b) Non-cash transactions

<i>(in millions of Korean won)</i>	2025	2024
Increase in right-of-use assets and lease liabilities	₩ 4,399	₩ 9,558
Valuation on financial assets at fair value through other comprehensive income	(13,897)	(8,025)
Changes in investments in joint ventures and associates from share of other comprehensive income of joint ventures and associates	(30,896)	(77,024)
Disposal of investment in associates and decrease in accounts receivable	735	-
Transfer of long-term advance payments to property, plant and equipment	4,658	-
Revaluation of property, plant and equipment	-	2,017
Transfer from property, plant and equipment to investment properties	-	11,722
Transfer from investment properties to property, plant and equipment	-	17,833

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(c) Changes in liabilities arising from financing activities

Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

<i>(in millions of Korean won)</i>	2025				
	At January 1, 2025	Financing cash flows	Discount on bonds	Exchange differences and others	At December 31, 2025
Borrowings	₩ 394,401	₩ 309,448	₩ 219	₩ 51,425	₩ 755,493
Debentures	99,711	-	188	-	99,899
Lease liabilities	15,629	(6,282)	-	9,040	18,387
Leasehold deposits received	438	226	30	(86)	608
Long-term non- trade payables	23	47	-	108	178
	<u>₩ 510,202</u>	<u>₩ 303,439</u>	<u>₩ 437</u>	<u>₩ 60,487</u>	<u>₩ 874,565</u>

<i>(in millions of Korean won)</i>	2024				
	At January 1, 2024	Financing cash flows	Discount on bonds	Exchange differences and others	At December 31, 2024
Borrowings	₩ 725,429	₩ (349,270)	₩ 219	₩ 18,023	₩ 394,401
Debentures	49,978	49,561	172	-	99,711
Lease liabilities	10,240	(5,169)	-	10,558	15,629
Leasehold deposits received	4,016	(3,497)	29	(110)	438
	<u>₩ 789,663</u>	<u>₩ (308,375)</u>	<u>₩ 420</u>	<u>₩ 28,471</u>	<u>₩ 510,179</u>

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35. Commitments and Contingencies

As at December 31, 2025, the Group has provided the guarantees of USD 223 thousand to financial institutions for local banking transactions of joint ventures and associates (Note 36).

As at December 31, 2025, the Group is not involved in any pending lawsuits as a defendant.

Hyundai Corporation Holdings Co., Ltd., a company with significant influence over the Group, has been involved in a lawsuit as a defendant in the Brazil court related to the product supply contract with legal proceeding of BRL 14,575 thousand. In connection with the lawsuit, the Group provides joint guarantees.

Commitments for trade financial transactions with KEB Hana Bank and others as at December 31, 2025, are as follows:

<i>(in thousands of USD and in millions of Korean won)</i>	Currency	Limits ¹	Used amount
D/A, D/P ²	USD	1,002,329	362,762
USANCE and others ³	USD	1,044,652	580,150
Bonds and others ⁴	USD	334,928	177,887
	KRW	3,050	930
Exemption of deposit for derivatives	KRW	1,000	-
Chattel /real estate mortgage loan	USD	25,427	25,427
	KRW	14,895	14,495
Loans with collateralized trade receivables ³	KRW	3,100	-
Industrial working capital loans	KRW	25,293	16,663
	USD	2,407,336	1,146,226
	KRW	47,338	32,088

¹ It includes comprehensive limits.

² It includes USD 170,421 thousand used for disposal of D/A, D/P trade receivables without recourse.

³ In accordance with a supplier finance arrangement that the Group entered into with financial institutions, the Group recognized borrowings amounting to USD 194,234 thousand and trade payables amounting to USD 19,778 thousand for the used amount of Banker's Usance and trade payables amounting to USD 5,224 thousand for the used amount of Shipper's Usance and others.

⁴ It includes USD 30,000 thousand of payment guarantee provided by China Construction Bank Seoul Branch for principal and interests of foreign currency long-term borrowings borrowed for the purpose of working capital.

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As at December 31, 2025, the payment guarantees received by the Group are as follows:

(in millions of Korean won)

Guarantor	Guaranteed by	Remark		Secured amount
Seoul Guarantee Insurance Company	Small Medium Business Technology Information Promotion Agency	Payment guarantee and others	₩	1,241
Korea Credit Guarantee Fund	Woori Bank	Loan payment guarantees and others		2,265
CEO of LUCINOVA Co., Ltd.	Woori Bank and others	Loan joint guarantees and others		6,422

The bond contract of the unguaranteed public offering debenture issued by the Group includes conditions of i) debt-to-equity ratio less than 550%, ii) a collateral limit within 250% of equity capital (based on consolidated financial statements), and iii) the restriction in disposal of asset, up to 50% from the annual total assets. If the corresponding rules are violated, the payment may be accelerated (Note 22).

In accordance with an arrangement with HYUNDAI YEMEN LNG COMPANY LIMITED, the Group has an obligation to provide loans for up to USD 97,500 thousand if i) an obligation occurs for HYUNDAI YEMEN LNG COMPANY LIMITED related to Yemen LNG project or, ii) upon request by HYUNDAI YEMEN LNG COMPANY LIMITED in accordance with a resolution of the Board of Directors for operating funds.

In accordance with a shareholders' agreement, the largest shareholder of FLAXRES GmbH holds drag-along rights over the shares held by the Group, while the Group holds rights of first refusal and tag-along rights.

In accordance with the shareholders' agreement of the joint venture HYUNDAI REEARTH CO.,LTD., each shareholder holds rights of first refusal and tag-along rights.

In accordance with a shareholders' agreement of the associate Shinhan Alpha Seosomun REIT Co., Ltd., the Group holds the right of first refusal on the real estate owned by the respective REIT.

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In accordance with the share purchase agreement entered into between the Parent Company and the non-controlling shareholders ('sellers') concerning the non-controlling interests of the subsidiary, the key terms are as follows:

	HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	RENTCORP HYUNDAI FORKLIFTS PTY LTD	LUCINOVA Co., Ltd.
Seller's call option	The right to require the sale of ordinary shares depending on whether the CEO maintain their employment contracts at the exercise date.	The right to require the purchase of all residual shares of the target company by the holder (HFA).	The right to require the Parent Company or a third party designated by the Parent Company to purchase the ordinary shares held by the current seller as of the call option exercise date.
Exercise period	From January 1, 2028, until the expiration of conditions.	From July 1, 2027, to June 30, 2028. (Extinguishment if FY27 EBITDA is less than A\$5.4 million.)	Limited to one occasion within 3 months after the expiry of the IPO deadline.
Purchase price of target shares at exercise	Fair market value of the issued shares at the call option exercise date, or a price calculated by applying a discount to the fair market value based on the contract terms, or a fixed price if the contract terms are violated.	Calculated by applying a weighted EBITDA multiple on the 12 months prior to the share purchase date, with adjustment for net debt.	Fair market value of the issued shares of LUCINOVA Co., Ltd. based on the current number of shares on the call option exercise date.
Buyer's put option	The buyer's choice at the call option exercise date, or the right to require the sale of ordinary shares based on contract violation causes.	The right to require the seller to sell all residual shares of the target company to the buyer.	-

The Group has recognized liabilities related to non-controlling interests amounting to ₩ 17,397 million in respect of the put option granted to non-controlling shareholders under the above agreement (Note 37).

As at December 31, 2025, the Group has an obligation to make capital contributions according to the capital commitment, and the details of commitments by each investment partnership are as follows:

<i>(in millions of Korean won)</i>	Capital commitment	Capital contributions paid	Outstanding commitment balance
Prologue Agricultural Food scale up Fund	₩ 5,500	₩ 4,400	₩ 1,100
K-culture Global scale up Fund	6,500	3,900	2,600
Prologue puzzle Corporate Restructuring New Technology Business Fund	8,300	4,718	3,582

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36. Related Party

Details of associates and other related parties that have sales and other transactions with the Group or have outstanding balances as at December 31, 2025 and 2024, are as follows:

Type	Name of entity
Entities with significant influence over the Company	Hyundai Corporation Holdings Co., Ltd.
Joint venture and associates	HYUNDAI YEMEN LNG COMPANY LIMITED KOREA LNG LIMITED PT HD INTI. DEVE. KAPSTEX VINA., JSC INTERGIS BUSAN NEWPORT CENTER CO., LTD. ELIAS AUTO INDIA PRIVATE LIMITED HY AUTO SOLUTION LLC Infinite Marine Connect Co., Ltd. PT. SUGIHARA HYUNDAI AUTOMOTIVE ¹ Prologue ventures New Technology Fund No.1 Prologue Agricultural Food scale up Fund K-culture Global scale up Fund Prologue puzzle Corporate Restructuring New Technology Business Fund ² Shinhan Alpha Seosomun REIT Co., Ltd. ² D MEX AUSTRALIA PTY LTD ³ EP FORKLIFTS AUSTRALIA PTY LTD ³ HYUNDAI REEARTH CO.,LTD. ⁴
Other related parties	HYUNDAI C SQUARE CO., LTD. SMITHY MUSHROOMS LIMITED HYUNDAI SNS CO.,LTD. HYUNDAI AGRO (CAMBODIA) CO., LTD.

¹ It was disposed during the year ended December 31, 2024.

² They were newly invested during the year ended December 31, 2024.

³ It is a joint venture classified as a subsidiary, HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD. during the year ended December 31, 2025.

⁴ They were newly invested during the year ended December 31, 2025.

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Significant transactions with related parties for years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024	
	Sales and others ¹	Purchases and others ²	Sales and others ¹	Purchases and others ²
Entities with significant influence over the Company				
Hyundai Corporation Holdings Co., Ltd. ³	₩ 2,336	₩ 6,933	₩ 2,275	₩ 6,246
Joint venture and associates				
HYUNDAI YEMEN LNG COMPANY LIMITED	37	-	74	-
KAPSTEX VINA., JSC	10,201	1,550	10,033	2,174
ELIAS AUTO INDIA PVT.LTD.	3	-	-	-
Infinite Marine Connect Co., Ltd.	-	3,163	-	2,304
PT. SUGIHARA HYUNDAI AUTOMOTIVE	-	-	87	-
Prologue ventures New Technology Fund No.1	100	-	100	-
Prologue Agricultural Food scale up Fund	479	-	329	-
K-culture Global scale up Fund	321	-	158	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	330	-	225	-
D MEX AUSTRALIA PTY LTD	1,870	-	-	-
HFA DISTRIBUTORS PTY LTD	-	-	1,244	-
Other related parties				
HYUNDAI C SQUARE CO., LTD. ⁴	88	1,908	53	972
SMITHY MUSHROOMS LIMITED	7	-	6	-
HYUNDAI SNS CO.,LTD.	-	139	-	85
HYUNDAI AGRO (CAMBODIA) CO., LTD.	116	-	105	-
	₩ 15,888	₩ 13,693	₩ 14,689	₩ 11,781

¹ It includes merchandise sales, commission income, and other revenues.

² It includes purchase of goods and services, and service fees.

³ Finance lease receivables of ₩ 330 million (2024: ₩ 298 million) and interest income of ₩ 88 million (2024: ₩ 106 million) recovered from the sub lease contract are included in the above transactions.

⁴ Finance lease receivables of ₩ 13 million (2024: ₩ 12 million) and interest income of ₩ 3 million (2024: ₩ 4 million) recovered from the sub lease contract are included in the above transactions.

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Outstanding balances arising from sales/purchases of goods and services as at December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

	2025		2024	
	Receivables and others ¹	Payables and others ²	Receivables and others ¹	Payables and others ²
Entities with significant influence over the Company				
Hyundai Corporation Holdings Co., Ltd.	₩ 1,753	₩ 2,280	₩ 2,149	₩ 2,237
Joint venture and associates				
KOREA LNG LIMITED	-	-	1,617	-
HYUNDAI YEMEN LNG COMPANY LIMITED	9,289	-	8,207	-
KAPSTEX VINA., JSC	839	-	1,358	2
ELIAS AUTO INDIA PVT.LTD.	-	-	55	-
HY AUTO SOLUTION LLC	993	-	1,017	-
Infinite Marine Connect Co., Ltd.	-	208	-	193
PT. SUGIHARA HYUNDAI AUTOMOTIVE	-	-	809	-
HFA DISTRIBUTORS PTY LTD	-	-	596	-
Prologue Agricultural Food scale up Fund	-	-	3	-
K-culture Global scale up Fund	179	-	51	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	83	-	61	-
D MEX AUSTRALIA PTY LTD	1,321	-	-	-
HYUNDAI REEARTH CO.,LTD.	-	3	-	-
Other related parties				
HYUNDAI C SQUARE CO., LTD.	508	23	519	24
HYUNDAI AGRO (CAMBODIA) CO., LTD.	148	-	78	-
	<u>₩ 15,113</u>	<u>₩ 2,514</u>	<u>₩ 16,520</u>	<u>₩ 2,456</u>

¹ It includes trade receivables, other current receivables and other non-current assets and others.

² It includes trade payables, non-trade payables, advances from customers, other current liabilities and others.

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Fund transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in millions of Korean won)

		2025				
		Loan receivables and others				
		Beginning balance	Increase	Decrease¹	Foreign currency translation	Ending balance
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ -	₩ -	₩ -	₩ -
	Loans ¹	32,332	697	-	(715)	32,314
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development ¹	33,531	2,139	-	(747)	34,923
PT HD INTI. DEVE.	Dividend	-	-	-	-	-
KOREA LNG LIMITED	Dividend	-	-	-	-	-
KAPSTEX VINA., JSC	Dividend	-	-	-	-	-
Shinhan Alpha Seosomun REIT Co., Ltd.	Dividend	-	-	-	-	-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	-	-	-	-	-
HY AUTO SOLUTION LLC ²	Loans	3,748	-	-	(90)	3,658
ELIAS AUTO INDIA PVT.LTD.	Loans	20	-	(20)	-	-
D MEX AUSTRALIA PTY LTD	Loans	-	192	-	-	192
EP FORKLIFTS AUSTRALIA PTY LTD	Loans	-	194	-	-	194
Prologue Agricultural Food scale up Fund	Capital increase	-	-	-	-	-
K-culture Global scale up Fund	Capital increase	-	-	-	-	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	Capital increase	-	-	-	-	-
HYUNDAI REEARTH CO.,LTD.	New capital injection	-	-	-	-	-
	Loans	-	1,400	-	-	1,400
		<u>₩ 69,631</u>	<u>₩ 4,622</u>	<u>₩ (20)</u>	<u>₩ (1,552)</u>	<u>₩ 72,681</u>

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		2025			
		Dividends and others		Equity transactions	
		Receipts	Payments	Acquisition	Disposal
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩	-	₩ 2,017	₩ -
	Loans ¹		-		-
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development ¹		-		-
PT HD INTI. DEVE.	Dividend		281		-
KOREA LNG LIMITED	Dividend		5,042		-
KAPSTEX VINA., JSC	Dividend		376		-
Shinhan Alpha Seosomun REIT Co., Ltd.	Dividend		4,693		-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend		24		-
HY AUTO SOLUTION LLC ²	Loans		-		-
ELIAS AUTO INDIA PVT.LTD.	Loans		-		-
D MEX AUSTRALIA PTY LTD	Loans		-		-
EP FORKLIFTS AUSTRALIA PTY LTD	Loans		-		-
Prologue Agricultural Food scale up Fund	Capital increase		-	1,100	-
K-culture Global scale up Fund	Capital increase		-	1,300	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	Capital increase		-	2,833	-
HYUNDAI REEARTH CO.,LTD.	New capital injection		-	2,125	-
	Loans		-		-
		<u>₩</u>	<u>10,416</u>	<u>₩</u>	<u>2,017</u>
				<u>₩</u>	<u>7,358</u>
					<u>₩</u>

¹ Allowance for doubtful accounts of ₩ 23,970 million and ₩ 23,639 million have been established respectively for loans and investment in resource development to the joint venture.

² A full allowance for doubtful accounts has been established for the loans to the joint venture.

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		2024				
		Loan receivables and others				
		Beginning balance	Increase	Decrease²	Foreign currency translation	Ending balance
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ -	₩ -	₩ -	₩ -
PT HD INTL. DEVE.	Dividend	-	-	-	-	-
	Loans ¹	27,456	1,141	-	3,735	32,332
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development ¹	27,555	2,442	(378)	3,912	33,531
KOREA LNG LIMITED	Dividend	-	-	-	-	-
KAPSTEX VINA., JSC	Dividend	-	-	-	-	-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	-	-	-	-	-
HY AUTO SOLUTION LLC ³	Loans	2,966	346	-	436	3,748
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans	258	-	-	36	294
ELIAS AUTO INDIA PVT.LTD.	Loans	106	-	(86)	-	20
K-culture Global scale up Fund	Capital increase	-	-	-	-	-
Prologue Agricultural Food scale up Fund	Capital increase	-	-	-	-	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	New capital injection	-	-	-	-	-
Shinhan Alpha Seosomun REIT Co., Ltd.	New capital injection	-	-	-	-	-
		₩ 58,341	₩ 3,929	₩ (464)	₩ 8,119	₩ 69,925

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		2024			
		Dividends and others		Equity transactions	
		Receipts	Payments	Acquisition	Disposal
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ 1,729	₩ -	₩ -
PT HD INTI. DEVE.	Dividend	139	-	-	-
	Loans	-	-	-	-
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	-	-	-	-
KOREA LNG LIMITED	Dividend	17,829	-	-	-
KAPSTEX VINA., JSC	Dividend	136	-	-	-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	24	-	-	-
HY AUTO SOLUTION LLC ³	Loans	-	-	-	-
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans	-	-	-	-
ELIAS AUTO INDIA PVT.LTD.	Loans	-	-	-	-
K-culture Global scale up Fund	Capital increase	-	-	1,950	-
Prologue Agricultural Food scale up Fund	Capital increase	-	-	1,650	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	New capital injection	-	-	1,885	-
Shinhan Alpha Seosomun REIT Co., Ltd.	New capital injection	-	-	83,000	-
		₩ 18,128	₩ 1,729	₩ 88,485	₩ -

¹ Allowance for doubtful accounts of ₩ 15,602 million and ₩ 16,174 million have been established respectively for loans and investment in resource development to the joint venture.

² Part of investment in resource development for HYUNDAI YEMEN LNG COMPANY LIMITED was transferred to loans during the year ended December 31, 2024.

³ A full allowance for doubtful accounts has been established for the loans to the joint venture.

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Details of the loss allowance recognized by the Group for receivables to the related parties for the year ended December 31, 2025, are as follows:

(in millions of Korean won)

		2025		
		Beginning balance	Provision (reversal)	Ending balance
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	₩ 16,174	₩ 7,465	₩ 23,639
	Loans	15,602	8,369	23,971
	Accrued revenue	7,396	4,737	12,133
	Trade receivables	1,017	(719)	298
HY AUTO SOLUTION LLC	Loans	3,749	(90)	3,659
	Accrued revenue	375	160	535
		<u>₩ 44,313</u>	<u>₩ 19,922</u>	<u>₩ 64,235</u>

The Group provides payment guarantees to related parties as follows:

(in thousands of USD)

	Financial institution	Amount providing
ELIAS AUTO INDIA PVT.LTD.	KEB Hana Bank Chennai Branch	USD 223

The Group provides a cash deficiency support agreement to HYUNDAI YEMEN LNG COMPANY LIMITED for limit up to USD 97,500 thousand (Note 35).

The Group provides joint payment guarantees for the related party, Hyundai Corporation Holdings Co., Ltd, in relation to a lawsuit (Note 35).

The compensation paid or payable to key management for employee services for the years ended December 31, 2025 and 2024, consists of:

(in millions of Korean won)

	2025		2024	
Wages and salaries	₩	5,552	₩	5,532
Post-employment benefits		963		940
	<u>₩</u>	<u>6,515</u>	<u>₩</u>	<u>6,472</u>

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37. Business Combinations

During the year ended December 31, 2025, the Group acquired interests in three companies HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD, RENTCORP HYUNDAI FORKLIFTS PTY LTD, and LUCINOVA Co., Ltd. thereby obtaining control over them. As a result of the business combinations occurring during the year ended December 31, 2025, the fair values of the assets acquired, and liabilities assumed at the acquisition date are as follows:

(in millions of Korean won)

	2025			
	HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	RENTCORP HYUNDAI FORKLIFTS PTY LTD	LUCINOVA Co., Ltd.	Q&C CO.,LTD
Consideration transferred				
Cash and cash equivalents	₩ 7,560	₩ 12,090	₩ 52,272	₩ 100
Fair value of equity interest held before the business combination	2,800	-	-	-
Total consideration transferred	<u>₩ 10,360</u>	<u>₩ 12,090</u>	<u>₩ 52,272</u>	<u>₩ 100</u>
Recognized amounts of identifiable assets acquired and liabilities assumed				
Cash and cash equivalents	₩ 11,410	₩ 247	₩ 7,515	₩ 107
Trade receivables	1,694	2,503	30,571	522
Other receivables	13	684	759	44
Inventories	5,774	121	18,025	282
Other assets	368	-	10,924	249
Property, plant and equipment and right-of-use assets	309	22,349	67,500	1,011
Intangible assets	321	2,628	2,827	342
Investments in joint ventures	76	-	-	-
Trade payables	(2,997)	(1,648)	(21,819)	(1,223)
Non-trade payables	(209)	(4,417)	(6,222)	(191)
Loans	(5,617)	(12,520)	(34,444)	(900)
Other payables	(247)	(4,181)	(15,965)	(143)
Fair value of identifiable net assets	10,895	5,766	59,671	100
Non-controlling interests (financial liabilities)	(2,318)	(1,730)	(13,349)	-
Goodwill	1,783	8,054	5,950	-

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The net cash outflow (inflow) resulting from business combinations for the year ended December 31, 2025 is as follows:

(in millions of Korean won)

	2025			
	HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	RENTCORP HYUNDAI FORKLIFTS PTY LTD	LUCINOVA Co., Ltd.	Q&C CO.,LTD
Consideration paid in cash	₩ 7,560	₩ 12,090	₩ 52,272	₩ 100
Less: Cash and cash equivalents acquired	11,410	247	7,515	107
Net cash outflow (inflow)	<u>₩ (3,850)</u>	<u>₩ 11,843</u>	<u>₩ 44,757</u>	<u>₩ (7)</u>

The acquisition dates for LUCINOVA Co., Ltd. and Q&C CO.,LTD. are August 31, 2025, and October 31, 2025, respectively. Had the subsidiaries accounted for as business combinations been consolidated from the beginning of the current period, the Group's revenue and profit recognized in the consolidated statement of comprehensive income would have amounted to ₩ 7,666,118 million and ₩89,551 million, respectively.

38. Uncertainty of the Impact of the Ukraine incident

The ongoing armed conflicts in Ukraine area which began in February 2022 and international sanctions imposed against Russia may impact entities, entities doing business with Ukraine or Russia as well as entities exposed directly or indirectly to industries or economy of Ukraine or Russia. The Group has a joint venture, HYAUTO SOLUTION LLC, in Russia as at December 31, 2025. The Group identified indications of impairment for HYAUTO SOLUTION LLC, and as at December 31, 2025, an allowance for doubtful accounts of ₩ 4,492 million has been established for loans and others (Note 36).

39. Uncertainty of the Political and Economic Environment of Middle East Area

Geopolitical conflicts between Israel and Palestine and conflicts between Yemen's Houthi rebel forces and the West may directly or indirectly affect companies or industries doing business in the region. Also, following the end of the reporting period, geopolitical risks in the region have increased due to escalating conflicts between Iran, Israel, the United States, and major Middle Eastern Area. As at December 31, 2025, the Group cannot reasonably predict the impact of these uncertainties on the consolidated financial statements in relation to the Yemen LNG mine project and others.

40. Events After the Reporting Period

As approved by the Board of Directors on February 24, 2026, the Group issued the 43-1st bearer coupon non-guaranteed bonds amounting to ₩ 20,000 million (maturity date: March 17, 2028) and the 43-2nd bearer coupon non-guaranteed bonds amounting to ₩ 20,000 million (maturity date: March 16, 2029).