

Doosan Bobcat Inc. and its subsidiaries

Interim consolidated financial statements
for the three-month period ended March 31, 2024
with the independent auditor's review report

Doosan Bobcat Inc. and
its subsidiaries

Report on review of interim consolidated financial statements

	Page(s)
Interim consolidated financial statements	
Interim consolidated statements of financial position	3
Interim consolidated statements of profit or loss	4
Interim consolidated statements of comprehensive income.....	5
Interim consolidated statements of changes in equity	6
Interim consolidated statements of cash flows	7
Notes to the interim consolidated financial statements.....	8

Report on review of interim consolidated financial statements

(English Translation of a Report Originally Issued in Korean)

The Shareholders and Board of Directors Doosan Bobcat Inc.

We have reviewed the accompanying interim consolidated financial statements of Doosan Bobcat Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the interim consolidated statement of financial position as of March 31, 2024, and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three-month period ended March 31, 2024, and material accounting policy information and other explanatory information.

Management's responsibility for the interim consolidated financial statements

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (KIFRS) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (“KSA”) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe the accompanying interim consolidated financial statements are not presented, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matter

The interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the three-month period ended March 31, 2023 were reviewed by Samil PricewaterhouseCoopers whose review report dated May 11, 2023 states that nothing has come to its attention that causes it to believe that the interim consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Moreover, the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) have been audited by Samil PricewaterhouseCoopers, in accordance with KSA, whose report dated March 14, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023 presented for comparative purpose is not different, in all material respects, from the above audited consolidated statement of financial position.



May 10, 2024

This review report is effective as of May 10, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim consolidated financial statements and may result in modification to this review report.

Doosan Bobcat Inc. and its subsidiaries

Interim consolidated financial statements

for each of the three-month periods ended March 31, 2024 and 2023

“The accompanying interim consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Scott Park
Chief Executive Officer
Doosan Bobcat Inc.

Doosan Bobcat Inc. and its subsidiaries
Interim consolidated statements of financial position
As of March 31, 2024 and December 31, 2023

(in USD)

	Notes	March 31, 2024 (Unaudited)	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	4,5	\$ 1,307,734,546	\$ 1,085,800,576
Short-term financial instruments	4,5	5,363,658	5,041,104
Trade and other receivables, net	4,5,6,26,35	464,357,750	437,369,916
Inventories, net	7	1,471,469,479	1,406,960,510
Derivative assets	4,5,8	-	125,177
Other current assets		84,672,031	78,197,757
Total current assets		<u>\$ 3,333,597,464</u>	<u>\$ 3,013,495,040</u>
Non-current assets			
Long-term financial instruments	4,5	\$ 1,320,646	\$ 1,342,247
Long-term financial investments	4,5	8,723,215	8,581,140
Long-term trade and other receivables, net	4,5,6,26,35	17,194,344	17,475,768
Investment in associates	12	4,565,589	4,714,113
Property, plant and equipment, net	9,13	962,611,394	976,400,358
Intangible assets, net	10	3,827,407,700	3,865,879,152
Investment properties	11	83,100,813	87,080,595
Deferred tax assets		41,412,613	40,106,777
Net defined benefit assets	17	10,548,893	7,250,082
Other non-current assets	4,5	20,156,561	21,535,243
Total non-current assets		<u>\$ 4,977,041,768</u>	<u>\$ 5,030,365,475</u>
Total assets		<u>\$ 8,310,639,232</u>	<u>\$ 8,043,860,515</u>
Liabilities			
Current liabilities			
Trade and other payables	4,5,14,26,35	\$ 1,611,153,870	\$ 1,387,587,708
Short-term borrowings	4,5,15	48,065,600	48,453,514
Current portion of long-term borrowings	4,5,15	50,791,821	21,995,092
Income tax payable		95,853,971	48,740,089
Derivative liabilities	5,8	2,350,460	1,861,013
Lease liabilities	4,5,13,35	32,040,442	32,299,902
Provisions	18	88,556,962	94,697,919
Sales and leaseback liabilities	4,5,16	13,034,308	13,393,336
Other current liabilities	4,5,26	176,399,092	220,699,231
Total current liabilities		<u>\$ 2,118,246,526</u>	<u>\$ 1,869,727,804</u>
Non-current liabilities			
Other non-current payables	4,5,14,35	\$ 8,760,104	\$ 9,043,689
Long-term borrowings	4,5,15	810,130,619	850,192,156
Net defined benefit liabilities	17	119,170,332	112,043,559
Deferred tax liabilities		294,443,139	287,827,053
Long-term derivative liabilities	5,8	96,196	434,800
Non-current lease liabilities	4,5,13,35	93,643,549	96,735,719
Non-current provisions	18	82,563,707	83,508,213
Non-current sales and leaseback liabilities	4,5,16	34,460,003	38,025,726
Other non-current liabilities	26	83,750,470	78,039,997
Total non-current liabilities		<u>\$ 1,527,018,119</u>	<u>\$ 1,555,850,912</u>
Total liabilities		<u>\$ 3,645,264,645</u>	<u>\$ 3,425,578,716</u>
Equity			
Equity attributable to owners of the Parent Company			
Capital stocks	1,19	\$ 43,095,528	\$ 43,095,528
Capital surplus	19	1,479,496,483	1,479,496,483
Other equity component	20,21	(179,994,985)	(180,206,037)
Accumulated other comprehensive loss	22	(303,567,932)	(247,208,643)
Retained earnings	23	3,626,345,493	3,523,104,468
Total equity		<u>\$ 4,665,374,587</u>	<u>\$ 4,618,281,799</u>
Total liabilities and equity		<u>\$ 8,310,639,232</u>	<u>\$ 8,043,860,515</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Interim consolidated statements of profit or loss
For each of the three-month periods ended March 31, 2024 and 2023

(in USD)

	Notes	Three-month period ended March 31	
		2024 (Unaudited)	2023
Sales	24,25,26,35	\$ 1,802,536,337	\$ 1,885,506,743
Cost of sales	27	(1,354,012,485)	(1,412,797,043)
Gross profit		448,523,852	472,709,700
Selling and administrative expenses	27,28	(203,148,067)	(182,900,065)
Operating Income		245,375,785	289,809,635
Non-operating income (expenses)			
Finance income	5,29	39,509,739	31,956,754
Finance expenses	5,29	(46,932,609)	(57,655,692)
Other non-operating income	30,35	544,319	437,051
Other non-operating expenses	30,35	(7,513,624)	(10,032,158)
Share of profit (loss) of associates and joint ventures	12	(28,386)	21,796
		(14,420,561)	(35,272,249)
Profit before income tax expense		230,955,224	254,537,386
Income tax expense	31	(67,756,675)	(91,865,501)
Profit for the period		\$ 163,198,549	\$ 162,671,885
Profit-attributable to:			
Owners of the Parent Company		\$ 163,198,549	\$ 162,671,885
Earnings per share	32		
attributable to the owners of the Parent Company			
Basic earnings per share		\$ 1.63	\$ 1.62
Diluted earnings per share		\$ 1.63	\$ 1.62

The accompanying notes are an integral part of the interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Interim consolidated statements of comprehensive income
For each of the three-month periods ended March 31, 2024 and 2023

(in USD)

	Three-month periods ended March 31	
	2024	2023
	(Unaudited)	
Profit for the period	\$ 163,198,549	\$ 162,671,885
Other comprehensive income (loss)		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of net defined benefit liabilities	9,650	-
Gain on revaluation of property, plant and equipment	748	-
<i>Items that may be subsequently reclassified to profit or loss</i>		
Gain (loss) on translation of foreign operations	(55,993,474)	39,790,876
Loss on valuation of derivatives	(366,563)	(61,608)
Total comprehensive income for the period	\$ 106,848,910	\$ 202,401,153
Total comprehensive income for the period attributable to:		
Owners of the Parent Company	\$ 106,848,910	\$ 202,401,153

The accompanying notes are an integral part of the interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Interim consolidated statements of changes in equity
For each of the three-month periods ended March 31, 2024 and 2023
(in USD)

	Attributable to owners of the Parent Company					
	Capital stock	Capital surplus	Other equity component	Accumulated Other comprehensive income (loss)	Retained earnings	Total equity
Balance as of January 1, 2023	\$ 43,095,528	\$ 2,254,870,601	\$ (179,177,950)	\$ (318,615,934)	\$ 2,164,467,278	\$ 3,964,639,523
Total comprehensive income:						
Profit for the period	-	-	-	-	162,671,885	162,671,885
Gains on translation of foreign operations	-	-	-	39,790,876	-	39,790,876
Losses on valuation of derivatives	-	-	-	(61,608)	-	(61,608)
	-	-	-	39,729,268	162,671,885	202,401,153
Capital transactions with owners						
Acquisition of treasury shares	-	-	(1,928,113)	-	-	(1,928,113)
Share-based compensation expenses	-	-	239,560	-	-	239,560
Annual dividend	-	-	-	-	(57,648,441)	(57,648,441)
Interim dividend	-	-	-	-	-	-
Reclassification of share premium to retained earnings	-	(775,374,118)	-	-	775,374,118	-
	-	(775,374,118)	(1,688,553)	-	717,725,677	(59,336,994)
Balance as of March 31, 2023	\$ 43,095,528	\$ 1,479,496,483	\$ (180,866,503)	\$ (278,886,666)	\$ 3,044,864,840	\$ 4,107,703,682
Total comprehensive income:						
Profit for the period	-	-	-	-	163,198,549	163,198,549
Gains on remeasurements of net defined benefit liabilities	-	-	-	-	9,650	9,650
Losses on translation of foreign operations	-	-	-	(55,993,474)	-	(55,993,474)
Losses on valuation of derivatives	-	-	-	(366,563)	-	(366,563)
Gains on revaluation of property, plant and equipment	-	-	-	748	-	748
	-	-	-	(56,359,289)	163,208,199	106,848,910
Capital transactions with owners						
Share-based compensation expenses	-	-	211,052	-	-	211,052
Annual dividend	-	-	-	-	(59,967,174)	(59,967,174)
	-	-	211,052	-	(59,967,174)	(59,756,122)
Balance as of March 31, 2024 (unaudited)	\$ 43,095,528	\$ 1,479,496,483	\$ (179,994,985)	\$ (303,567,932)	\$ 3,626,345,493	\$ 4,665,374,587

The accompanying notes are an integral part of the interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Interim consolidated statements of cash flows
for each of the three-month periods ended March 31, 2024 and 2023
(in USD)

	Note	Three-month periods ended March 31	
		2024 (unaudited)	2023
Cash flows from operating activities			
Cash generated from operations:	36	\$ 313,296,801	\$ 321,883,616
Profit for the period		163,198,549	162,671,885
Adjustments		135,034,221	171,941,655
Changes in operating assets and liabilities		15,064,031	(12,729,924)
Interest received		12,761,423	2,761,966
Interest paid		(19,443,226)	(20,008,887)
Income tax paid		(3,945,463)	(21,438,610)
Net cash flows provided operating activities		302,669,535	283,198,085
Cash flows from investing activities			
Cash inflows from investing activities:			
Decrease in loan		-	227,348
Disposal of property, plant and equipment		131,596	34,406
Disposal of business		-	10,558,274
		<u>131,596</u>	<u>10,820,028</u>
Cash outflows for investing activities:			
Purchase of property, plant and equipment		35,357,573	24,101,381
Purchase of intangible asset		16,286,071	10,913,128
Purchase of long-term financial investments		150,551	3,000,000
		<u>(51,794,195)</u>	<u>(38,014,509)</u>
Net cash flows used in investing activities		(51,662,599)	(27,194,481)
Cash flows from financing activities			
Cash inflows from financing activities:			
Increase in borrowing		567,073	78,205,347
Increase of sales and leaseback liabilities		-	1,869,464
		<u>567,073</u>	<u>80,074,811</u>
Cash outflows for financing activities:			
Repayment of borrowing		6,413,040	67,959,783
Payment of lease liabilities		8,165,329	7,793,217
Repayment of sales and leaseback liabilities		3,505,790	7,706,464
Acquisition of treasury shares		-	1,928,113
		<u>(18,084,159)</u>	<u>(85,387,577)</u>
Net cash flows used in financing activities		(17,517,086)	(5,312,766)
Effects of exchange rate changes on cash and cash equivalents		(11,555,880)	483,558
Net increase in cash and cash equivalents		221,933,970	251,174,396
Cash and cash equivalents at the beginning of period		1,085,800,576	551,570,225
Cash and cash equivalents at the end of period		\$ 1,307,734,546	\$ 802,744,621

The accompanying notes are an integral part of the interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries

Notes to the interim consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

1. General Information

Doosan Bobcat Inc. ("DBI" or the "Company") was incorporated on April 25, 2014 by being split off from Doosan Infracore Co., Ltd. Main business purposes of the Company are to control and manage its subsidiaries (with the Company, collectively, referred to as the "Group") that manufacture and distribute compact construction equipment and forklifts.

On November 18, 2016, the Company listed its shares on the securities market established by the Korea Stock Exchange. After several capital increases and capital reductions, the capital stock as of March 31, 2024 is \$ 43,096 thousand.

Doosan Infracore Co., Ltd., the largest shareholder of the Company, was merged with Doosan Enerbility Co., Ltd. by dividing its investment business from the entity on July 1, 2021. As a result, the Company's largest shareholder has been changed to Doosan Enerbility Co., Ltd. The number of shares and the percentage of ownership held by the largest shareholder remain unchanged.

The Company's shareholders as of March 31, 2024 are as follows:

Shareholder	Number of shares owned	Percentages of ownership (%)
Doosan Enerbility Co., Ltd.	46,176,250	46.06%
Treasury shares	96,490	0.10%
Others	53,976,426	53.84%
	100,249,166	100.00%

1.1 Consolidated Subsidiaries

Details of the consolidated subsidiaries as of March 31, 2024 and December 31, 2023, are as follows:

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			March 31, 2024	December 31, 2023	
Doosan Bobcat North America Inc. ²	Manufacturing and sales	USA	100	100	December
Doosan Bobcat North America Inc.'s subsidiaries :					
Doosan Bobcat Canada Ltd. ²	Sales	Canada	100	100	December
Doosan Bobcat Mexico Monterrey, S. de R.L. de C.V. ¹	Other service	Mexico	100	100	December
Doosan Bobcat EMEA s.r.o	Manufacturing and sales	Czech	100	100	December
Doosan Bobcat EMEA s.r.o's subsidiaries :					
Doosan Bobcat Bensheim GmbH ²	Sales	Germany	100	100	December
Doosan Bobcat Holdings France S.A.S. ²	Holdings	France	100	100	December
JSC Doosan International Russia	Sales	Russia	100	100	December
Doosan Bobcat UK Ltd. ²	Sales	England	100	100	December
Doosan Bobcat South Africa (PTY) Ltd. ²	Sales	South Africa	100	100	December
Doosan Bobcat France S.A.S ²	Manufacturing	France	100	100	December
Geith International Ltd.	Sales	Ireland	100	100	December
Doosan Bobcat Belgium B.V. ²	Sales	Belgium	100	100	December
Doosan Bobcat UK Northampton Ltd. ²	Sales	England	100	100	December
Doosan Bobcat Germany GmbH ²	Manufacturing and sales	Germany	100	100	December
Rushlift Ltd.	Rental and sales	England	100	100	December

Doosan Bobcat Inc. and its subsidiaries

Notes to the interim consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

1.1 Consolidated Subsidiaries (cont'd)

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			March 31, 2024	December 31, 2023	
Doosan Bobcat Singapore Pte. Ltd.	Holdings	Singapore	100	100	December
Doosan Bobcat Singapore Pte. Ltd.'s subsidiaries :					
Doosan Bobcat China Co., Ltd.	Manufacturing and sales	China	100	100	December
Doosan Bobcat India Private Ltd.	Manufacturing and sales	India	100	100	March
Doosan Bobcat Japan ²	Sales	Japan	100	100	December
Doosan Bobcat Mexico S.A. de C.V.	Other service	Mexico	100	100	December
Doosan Bobcat Korea Co., Ltd. (formerly, Doosan Industrial Vehicle Co., Ltd.) ³					
Doosan Bobcat Korea Co., Ltd.'s subsidiaries :					
Doosan Bobcat China Yantai Co., Ltd. ²	Manufacturing and sales	China	100	100	December
Doosan Bobcat Korea Co., Ltd. ³	Sales	Korea	-	100	December

¹ Newly established during the year ended December 31, 2023.

² Changed its name during the year ended December 31, 2023.

³ During the three-month period ended March 31, 2024, Doosan Bobcat Korea Co., Ltd. (formerly, Doosan Industrial Vehicle Co., Ltd.) merged with Doosan Bobcat Korea Co., Ltd. and changed its name to Doosan Bobcat Korea Co., Ltd.

1.2 Summarized Financial Information

Summarized financial information of the consolidated subsidiaries as of March 31, 2024 and for the three-month period ended March 31, 2024, is as follows (in thousands of USD):

	March 31, 2024		Three-month period ended March 31, 2024		
	Assets	Liabilities	Sales	Profit for the period	Total comprehensive income
Doosan Bobcat North America Inc. and its subsidiaries	\$ 5,624,615	\$ 2,896,720	\$ 1,430,538	\$ 137,694	\$ 137,694
Doosan Bobcat Canada Ltd.	152,564	62,468	88,786	3,568	3,568
Doosan Bobcat EMEA s.r.o. and its subsidiaries	2,327,196	625,129	375,732	14,209	14,209
Bobcat France S.A.S.	92,311	54,115	56,208	1,784	1,784
Doosan Bobcat Belgium BV	80,128	57,789	33,103	972	972
Rushlift Ltd.	109,124	99,482	15,078	175	175
Doosan Bobcat Singapore Pte., Ltd. and its subsidiaries	210,673	95,825	46,144	280	280
Doosan Bobcat China Co., Ltd	97,366	58,801	21,995	97	97
Doosan Bobcat India Private Ltd.	102,044	58,601	24,129	145	145
Doosan Bobcat Korea Co., Ltd. and its subsidiaries	900,512	421,516	307,237	45,721	45,366

Doosan Bobcat Inc. and its subsidiaries

Notes to the interim consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

1.3 Changes in Scope of Consolidation

Changes in the scope of consolidation for each of the three-month periods ended March 31, 2024 and 2023:

Name of Subsidiary	Three-month period ended March 31, 2024	
	Details	Reason
Doosan Bobcat Korea Co., Ltd.	Excluded from the consolidation	Merged
Name of Subsidiary	Three-month period ended March 31, 2023	
	Details	Reason
Genesis Forklift Trucks Limited	Excluded from the consolidation	Liquidation
Rushlift Holdings Ltd.	Excluded from the consolidation	Liquidation
Doosan Materials Handling UK Ltd.	Excluded from the consolidation	Liquidation

2. Material Accounting Policies

The material accounting policies applied in the preparation of these interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods 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 (KIFRS). The accompanying interim consolidated financial statements have been condensed, restructured, and translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The Group's interim consolidated financial statements for the three-month period ended March 31, 2024, have been prepared in accordance with KIFRS 1034 *Interim Financial Reporting*. These interim consolidated financial statements have been prepared in accordance with KIFRS which is effective or early adopted as of March 31, 2024.

(a) *New and amended standards and interpretations adopted by the Group.*

The Group has applied the following standards and interpretations for the first time for their annual reporting period commencing January 1, 2024.

Amendments to KIFRS 1007 and KIFRS 1107- Supplier Finance Arrangements

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transitional rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries

Notes to the interim consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

2.1 Basis of Preparation (cont'd)

- Amendments to KIFRS 1116 – Lease Liability in a Sale and Leaseback

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim consolidated financial statements.

- Amendments to KIFRS 1001– Classification of liabilities as current or non-current

The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim consolidated financial statements.

(b) New and amended standards and interpretations not yet adopted by the Group

There is no new and amended standards and interpretations issued but not yet adopted by the Group.

2.2 Material Accounting Policies

Material accounting policies and method of computation adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2023, except for the adoption of new and amended standards and interpretations described in Note 2.1(a) and Note below.

2.2.1 Income Tax Expense

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

In 2023, the IASB amended IAS 12 (equivalent to KIFRS 1012) *Income Taxes*. The amendment introduces a temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also introduce disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes, particularly before the effective date of the related legislation.

The Group adopted the temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes and assessed its business structure considering the jurisdictional implementation of the Pillar Two Moder Rules. Since it is expected that all constituent entities of the Group shall be either levied income taxes at the effective tax rate well above 15% or qualified for transitional safe harbour, the Group determined that Pillar Two top-up taxes will not be levied on the Group. Therefore, the Group's consolidated financial statements do not contain the information required by paragraphs 88A to 88D of KIFRS 1012. Meanwhile, the judgment on whether to apply Pillar Two top-up taxes involves estimates and assumptions about the future, and these accounting estimates may differ from actual results.

Doosan Bobcat Inc. and its subsidiaries

Notes to the interim consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

3. Material Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates.

Material accounting estimates and assumptions applied in the preparation of these interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2023, except for the estimates used to determine income tax expense.

4. Financial Risk Management

4.1 Financial Risk Factors

The Group's financial risk management focuses on improving financial structure and efficiency of liquidity management for stable and consistent financial performance of the Group by minimizing market risk, credit risk and liquidity risk.

The Group's financial risk management activities are mainly carried out by its treasury function, with the cooperation of the Group's other functions, to identify, assess, and hedge financial risks based on financial risk management policies and to monitor potential impacts of financial risks regularly.

4.1.1 Market Risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign entities.

Foreign currency risk is managed based on the Group's policy on foreign currencies and the Group's key strategy for managing this risk is to reduce a volatility of financial performances due to fluctuations in foreign exchange rates.

The Group's financial assets and liabilities exposed to foreign exchange risk as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024				
	USD	EUR	GBP	Others ¹	Total
Financial assets	\$ 702,532	\$ 63,574	\$ 24,730	\$ 12,548	\$ 803,384
Financial liabilities	(623,700)	(94,600)	(470)	(26,758)	(745,528)
Net	<u>\$ 78,832</u>	<u>\$ (31,026)</u>	<u>\$ 24,260</u>	<u>\$ (14,210)</u>	<u>\$ 57,856</u>

	December 31, 2023				
	USD	EUR	GBP	Others ¹	Total
Financial assets	\$ 643,187	\$ 72,860	\$ 36,095	\$ 7,465	\$ 759,607
Financial liabilities	(649,505)	(98,724)	(572)	(29,139)	(777,940)
Net	<u>\$ (6,318)</u>	<u>\$ (25,864)</u>	<u>\$ 35,523</u>	<u>\$ (21,674)</u>	<u>\$ (18,333)</u>

¹ Others are assets and liabilities denominated in foreign currencies other than USD, EUR and GBP.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

4.1.1 Market Risk (cont'd)

The table below summarizes the impact of weakened/strengthened functional currency on the Group's profit before income tax expense for the period (in thousands of USD). The analysis is based on the assumption that the functional currency has weakened/strengthened by 10% against the respective foreign currencies above with all other variables held constant.

	Three-month period ended March 31, 2024		Year ended December 31, 2023	
	10% increase in foreign exchange currency rate	10% decrease in foreign exchange currency rate	10% increase in foreign exchange currency rate	10% decrease in foreign exchange currency rate
Profit before income tax expense	\$ 5,786	\$ (5,786)	\$ (1,833)	\$ 1,833

(b) 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 on floating rate deposits and borrowings.

The Group manages interest rate risk through various activities. These include minimizing external borrowings by utilizing internal fund availability, reducing borrowings with higher interest rates, improving maturity structure of borrowings, maintaining appropriate balance between floating rate and fixed rate, and a regular monitoring of market trend and developing action plans.

Financial liabilities with floating interest rates exposed to interest rate risk as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD). However, borrowings invested in derivative products for the purpose of avoiding interest fluctuations are excluded (see Note 8).

	March 31, 2024	December 31, 2023
Financial liabilities	\$ 877,371	\$ 888,804

The table below summarizes the impact of increases/decreases of interest rate on the Group's profit before income tax expense for the period. The analysis is based on the assumption that the interest rate has increased/decreased by 1% (100 basis points) with all other variables held constant (in thousands of USD):

	Impact on the profit before income tax estimated for			
	Three-month period ended March 31, 2024		Year ended December 31, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Profit before income tax expense	\$ (8,774)	\$ 8,774	\$ (8,888)	\$ 8,888

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

4.1.2 Credit Risk

Credit risk arises during the normal course of transactions and investing activities where customers or other parties are unable to meet contractual obligations. The Group sets out and monitors credit limits for its customers and counterparts on a periodic basis considering financial conditions, historical experiences and other factors.

Credit risk arises from cash and cash equivalents, derivatives and deposits in banks and financial institutions, as well as the Group's receivables.

Main objectives of credit risk management are to efficiently manage credit risk based on the Group's credit policies, to promptly support decision-making processes and to minimize financial losses through safeguarding receivables. An allowance for doubtful accounts is specifically recognized for the receivables with impairment indicators individually identified. The Group uses the simplified approach to recognize the loss allowance for lifetime expected credit loss for a group of receivables with similar credit-risk nature that are not individually significant.

Maximum exposures of financial assets of the Group exposed to credit risk as of March 31, 2024 and December 31, 2023 are as follows(in thousands of USD):

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 1,307,735	\$ 1,085,801
Short-term financial instruments ¹	5,364	5,041
Trade and other receivables	464,358	437,370
Derivative assets	-	125
Long-term financial instruments ²	1,321	1,342
Long-term financial investments	8,723	8,581
Long-term trade and other receivables	17,194	17,476
Other non-current assets	7,888	8,981
	<u>\$ 1,812,583</u>	<u>\$ 1,564,717</u>

¹ Short-term financial instruments include deposits restricted in use in relation to Win-win growth fund.

² Long-term financial instruments include deposits restricted in use in relation to government bids, and deposits pledged as collaterals in relation to sublease deposits.

Aging analysis of the Group's trade and other receivables as of March 31, 2024 and December 31, 2023 is as follows (in thousands of USD):

		March 31, 2024					
		Receivables					
Individually impaired receivables	assessed for impairment on a collective basis					Total	
	Within due	0–3 months	3–6 months	6–12 months	Over 12 months		
Trade receivables	\$ 2,739	\$ 350,231	\$ 75,630	\$ 12,229	\$ 3,514	\$ 4,103	\$ 448,446
Other receivables	3,948	12,444	7,151	-	-	-	23,543
Accrued income	451	88	-	-	-	-	539
Short-term loans	22	42	-	-	-	-	64
Long-term other receivables	-	17,194	-	-	-	-	17,194
	<u>\$ 7,160</u>	<u>\$ 379,999</u>	<u>\$ 82,781</u>	<u>\$ 12,229</u>	<u>\$ 3,514</u>	<u>\$ 4,103</u>	<u>\$ 489,786</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

4.1.2 Credit Risk (cont'd)

December 31, 2023							
	Individually impaired receivables	Receivables assessed for impairment on a collective basis					Total
		Within due	0–3	3–6	6–12	Over	
			months	months	months	12 months	
Trade receivables	\$ 4,992	\$ 342,070	\$ 60,613	\$ 5,398	\$ 5,002	\$ 3,503	\$ 421,578
Other receivables	5,561	13,286	7,386	-	-	-	26,233
Accrued income	28	78	-	-	-	-	106
Short-term loans	23	63	-	-	-	-	86
Long-term other receivables	-	17,476	-	-	-	-	17,476
	<u>\$ 10,604</u>	<u>\$ 372,973</u>	<u>\$ 67,999</u>	<u>\$ 5,398</u>	<u>\$ 5,002</u>	<u>\$ 3,503</u>	<u>\$ 465,479</u>

Receivables with specific impairment indicators such as insolvency and bankruptcy are individually assessed using appropriate allowance rates. A group of financial assets with similar credit risk natures that are not individually significant is assessed on expected credit losses based on aging analysis and the credit risk characteristics.

Aging analysis of the Group's allowance for doubtful accounts for trade and other receivables as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

March 31, 2024							
	Allowance for doubtful accounts for individually impaired receivables	Allowance for doubtful accounts assessed for impairment on a collective basis					Total
		Within due	0–3 months	3–6 months	6–12 months	Over 12 months	
Trade receivables	\$ 2,223	\$ 1,013	\$ 544	\$ 939	\$ 1,047	\$ 2,422	\$ 8,188
Other receivables	-	-	46	-	-	-	46
	\$ 2,223	\$ 1,013	\$ 590	\$ 939	\$ 1,047	\$ 2,422	\$ 8,234

	December 31, 2023						
	Allowance for doubtful accounts for individually impaired receivables	Allowance for doubtful accounts assessed for impairment on a collective basis					Total
		Within due	0–3 months	3–6 months	6–12 months	Over 12 months	
Trade receivables	\$ 4,732	\$ 866	\$ 544	\$ 724	\$ 973	\$ 2,752	\$ 10,591
Other receivables	-	-	42	-	-	-	42
	\$ 4,732	\$ 866	\$ 586	\$ 724	\$ 973	\$ 2,752	\$ 10,633

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

4.1.3 Liquidity Risk

Liquidity risk refers to the risk that the Group may encounter difficulties in meeting its obligations to repay financial liabilities or obtain additional funding for its normal business operation due to liquidity shortage.

The Group secures and maintains the appropriate level of liquidity volume and accordingly manages the liquidity risk in advance by forecasting the projected cash flows from operating, investing and financing activities periodically.

Details of annual repayment schedule of financial liabilities (except derivatives) as of March 31, 2024 and December 31, 2023 are as follows(in thousands of USD):

March 31, 2024						
		Contractual nominal cash flows				
	Book value	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	\$ 978,413	\$ 978,413	\$ 978,413	\$ -	\$ -	\$ -
Other payables (current and non-current)	641,501	646,999	639,419	3,869	862	2,849
Other current liabilities	3,508	3,508	3,508	-	-	-
Borrowings	908,988	1,227,394	162,517	97,126	272,704	695,047
Lease liabilities	125,684	141,395	36,681	29,034	55,052	20,628
Sales and leaseback Liabilities	47,494	54,623	15,842	13,176	22,991	2,614
	<u>\$ 2,705,588</u>	<u>\$ 3,052,332</u>	<u>\$ 1,836,380</u>	<u>\$ 143,205</u>	<u>\$ 351,609</u>	<u>\$ 721,138</u>
December 31, 2023						
		Contractual nominal cash flows				
	Book value	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	\$ 895,350	\$ 895,350	\$ 895,350	\$ -	\$ -	\$ -
Other payables (current and non-current)	501,281	501,281	493,801	2,928	1,577	2,975
Other current liabilities	3,353	3,353	3,353	-	-	-
Borrowings	920,641	1,255,535	138,222	133,703	274,173	709,437
Lease liabilities	129,036	145,448	36,906	29,405	57,537	21,600
Sales and leaseback Liabilities	51,419	59,544	16,477	14,009	25,733	3,325
	<u>\$ 2,501,080</u>	<u>\$ 2,860,511</u>	<u>\$ 1,584,109</u>	<u>\$ 180,045</u>	<u>\$ 359,020</u>	<u>\$ 737,337</u>

The amounts of financial liabilities by remaining maturity included in above represent undiscounted contractual nominal cash flows (including interest expenses), assuming the earliest period in which the Group can be required to pay, and therefore differ from the financial liabilities recognized in the consolidated statements of financial position. In addition, apart from the financial liabilities above, the maximum exposure related with financial guarantees provided by the Group as of March 31, 2024 is discussed in Note 33.

4.2 Capital Risk Management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

4.2 Capital Risk Management (cont'd)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-equity ratio which is calculated by dividing total liabilities by total equity in the financial statements.

Debt-to-equity ratios as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Debt	\$ 3,645,265	\$ 3,425,579
Equity	<u>4,665,375</u>	<u>4,618,282</u>
Debt-to-equity ratio	<u>78.13%</u>	<u>74.17%</u>

5. Financial Instruments by Category

5.1 Carrying Amounts of Financial Instruments by Category

Classification of financial assets and liabilities by category as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>March 31, 2024</u>			
	<u>Financial assets at amortized cost</u>	<u>Financial assets at fair value through profit or loss</u>	<u>Financial assets at fair value through OCI</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,307,735	\$ -	\$ -	\$ 1,307,735
Short-term financial instruments	5,364	-	-	5,364
Trade and other receivables	437,575	-	26,783	464,358
Long-term trade and other receivables	17,194	-	-	17,194
Long-term financial instruments	1,321	-	-	1,321
Long-term financial investments	-	8,471	252	8,723
Other non-current assets	7,888	-	-	7,888
	<u>\$ 1,777,077</u>	<u>\$ 8,471</u>	<u>\$ 27,035</u>	<u>\$ 1,812,583</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5.1 Carrying Amounts of Financial Instruments by Category (cont'd)

March 31, 2024				
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other financial liabilities ¹	Total
Liabilities:				
Trade and other payables	\$ 1,611,154	\$ -	\$ -	\$ 1,611,154
Borrowings	908,988	-	-	908,988
Derivative liabilities (current and non-current)	-	96	2,351	2,447
Sales and leaseback liabilities (current and non-current)	47,494	-	-	47,494
Other current liabilities	3,508	-	-	3,508
Other non-current payables	8,760	-	-	8,760
Financial guarantee liability	-	-	22,870	22,870
Lease liabilities (current and non-current)	-	-	125,684	125,684
	<u>\$ 2,579,904</u>	<u>\$ 96</u>	<u>\$ 150,905</u>	<u>\$ 2,730,905</u>

¹ Other financial liabilities include derivative liabilities as hedging instrument and lease liabilities, all of which are not subject to classification of financial liabilities by category.

	December 31, 2023				
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Other Financial Assets	Total
Assets:					
Cash and cash equivalents	\$ 1,085,801	\$ -	\$ -	\$ -	\$ 1,085,801
Short-term financial instruments	5,041	-	-	-	5,041
Trade and other receivables	416,731	-	20,639	-	437,370
Derivative assets (current and non-current)	-	-	-	125	125
Long-term trade and other receivables	17,476	-	-	-	17,476
Long-term financial instruments	1,342	-	-	-	1,342
Long-term financial investments	-	8,326	255	-	8,581
Other non-current assets	8,981	-	-	-	8,981
	\$ 1,535,372	\$ 8,326	\$ 20,894	\$ 125	\$ 1,564,717

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5.1 Carrying Amounts of Financial Instruments by Category (cont'd)

	December 31, 2023			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other financial liabilities ¹	Total
Liabilities:				
Trade and other payables	\$ 1,387,588	\$ -	\$ -	\$ 1,387,588
Borrowings	920,641	-	-	920,641
Derivative liabilities (current and non-current)	-	435	1,861	2,296
Sales and leaseback liabilities (current and non-current)	51,419	-	-	51,419
Other current liabilities	3,353	-	-	3,353
Other non-current payables	9,044	-	-	9,044
Financial guarantee liability	-	-	21,061	21,061
Lease liabilities (current and non-current)	-	-	129,036	129,036
	<u>\$ 2,372,045</u>	<u>\$ 435</u>	<u>\$ 151,958</u>	<u>\$ 2,524,438</u>

¹ Other financial liabilities include derivative liabilities as hedging instrument and lease liabilities, all of which are not subject to classification of financial liabilities by category.

During the three-month period ended March 31, 2024, there have been no significant changes in the business and economic environment affecting the fair value of the Group's financial assets and liabilities. Assets and liabilities whose carrying value is a reasonable approximation of fair value are excluded from the fair value disclosure above.

5.2 Fair Value Hierarchy

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024			
	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 8,471	\$ 8,471
Financial assets at fair value through OCI	-	26,783	252	27,035
Other financial assets (Hedging derivatives)	-	-	-	-
	<u>\$ -</u>	<u>\$ 26,783</u>	<u>\$ 8,723</u>	<u>\$ 35,506</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss	\$ -	\$ 96	\$ -	\$ 96
Other financial liabilities (Hedging derivatives)	-	2,351	-	2,351
	<u>\$ -</u>	<u>\$ 2,447</u>	<u>\$ -</u>	<u>\$ 2,447</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5.2 Fair Value Hierarchy (cont'd)

	December 31, 2023			
	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 8,326	\$ 8,326
Financial assets at fair value through OCI	-	20,639	255	20,894
Other financial assets (Hedging derivatives)	-	125	-	125
	<u>\$ -</u>	<u>\$ 20,764</u>	<u>\$ 8,581</u>	<u>\$ 29,345</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss	\$ -	\$ 435	\$ -	\$ 435
Other financial liabilities (Hedging derivatives)	-	1,861	-	1,861
	<u>\$ -</u>	<u>\$ 2,296</u>	<u>\$ -</u>	<u>\$ 2,296</u>

¹ Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability.

Level 3 – Unobservable inputs for the asset or liability.

5.3 Changes in Fair Value of Level 3 Financial Instruments

Changes in level 3 financial instruments measured at fair value for the three-month period ended March 31, 2024 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024				
	Beginning	Fair value evaluation	Acquisition	Others ¹	Ending
Financial assets at fair value through profit or loss	\$ 8,326	\$ 1	\$ 151	\$ (7)	\$ 8,471
Financial assets at fair value through OCI	255	-	-	(3)	252
	<u>\$ 8,581</u>	<u>\$ 1</u>	<u>\$ 152</u>	<u>\$ (10)</u>	<u>\$ 8,723</u>

¹ Others include effect of foreign exchange translation, etc.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5.4 Net Gains or Losses by Category of Financial Instruments

Net gains or losses of each category of financial instruments for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

Three-month period ended March 31, 2024							
Profit for the period							Other comprehensive loss
Interest income (expense)	Bad debt expense	Loss on disposal	Gain on derivatives	Gain on valuation	Others		
Financial assets:							
Financial assets at amortized cost	\$ 13,194	\$ (696)	\$ -	\$ -	\$ -	\$ -	
Financial assets at fair value through profit or loss	-	-	-	433	1	-	-
Financial assets at fair value through OCI	-	-	(1,093)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	(372)
	<u>\$ 13,194</u>	<u>\$ (696)</u>	<u>\$ (1,093)</u>	<u>\$ 433</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (372)</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (18,354)	\$ -	\$ -	\$ -	\$ -	\$ (591)	\$ -
Other financial liabilities	(1,502)	-	-	-	-	(25)	-
	<u>\$ (19,856)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (616)</u>	<u>\$ -</u>
Three-month period ended March 31, 2023							
Profit for the period							Other comprehensive loss
Interest income (expense)	Bad debt expense	Loss on disposal	Gain on derivatives	Others			
Financial assets:							
Financial assets at amortized cost	\$ 2,448	\$ (995)	\$ -	\$ -	\$ -	\$ -	-
Financial assets at fair value through profit or loss	-	-	-	20	-	-	-
Financial assets at fair value through OCI	-	-	(1,336)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	(69)
	<u>\$ 2,448</u>	<u>\$ (995)</u>	<u>\$ (1,336)</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (69)</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (19,560)	\$ -	\$ -	\$ -	\$ (513)	\$ -	-
Other financial liabilities	(1,394)	-	-	-	(16)	-	-
	<u>\$ (20,954)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (529)</u>	<u>\$ -</u>	<u>\$ -</u>

Other comprehensive loss (before tax) stated above resulted solely from cash flow hedge derivatives.

In addition, foreign exchange differences arising from transactions in foreign currencies other than derivative contracts, including gain or loss from foreign exchange translation and transactions, resulted mainly from financial assets at amortized cost and financial liabilities measured at amortized cost.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5.5 Offsetting Financial Assets and Financial Liabilities

The following table presents the recognized financial instruments subject to enforceable master netting arrangements and other similar agreements as of March 31, 2024 (in thousands of USD):

	Subject to application of master netting agreement		
	Gross amount of financial instruments recognized	Gross amount of financial instruments set off	Net amounts presented in the statement of financial position
Financial assets:			
Trade receivables	\$ 11,663	\$ (5,489)	\$ 6,174
Other receivables	28	(27)	1
	<u>\$ 11,691</u>	<u>\$ (5,516)</u>	<u>\$ 6,175</u>
Financial liabilities:			
Trade payables	\$ (20,209)	\$ 5,516	\$ (14,693)

6. Trade and Other Receivables

Trade and other receivables as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024		
	Gross	Allowance for doubtful accounts	Net
Current:			
Trade receivables	\$ 448,446	\$ (8,188)	\$ 440,258
Other receivables	23,543	(46)	23,497
Accrued income	539	-	539
Short-term loans	64	-	64
	<u>\$ 472,592</u>	<u>\$ (8,234)</u>	<u>\$ 464,358</u>
Non-current:			
Long-term other receivables	\$ 17,194	\$ -	\$ 17,194

	December 31, 2023		
	Gross	Allowance for doubtful accounts	Net
Current:			
Trade receivables	\$ 421,578	\$ (10,591)	\$ 410,987
Other receivables	26,233	(42)	26,191
Accrued income	106	-	106
Short-term loans	86	-	86
	<u>\$ 448,003</u>	<u>\$ (10,633)</u>	<u>\$ 437,370</u>
Non-current:			
Long-term other receivables	\$ 17,476	\$ -	\$ 17,476

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

6. Trade and Other Receivables (cont'd)

Changes in allowance for doubtful accounts for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024		
	Trade receivables	Other receivables	Total
Beginning balance	\$ 10,591	\$ 42	\$ 10,633
Increase	690	6	696
Write-off	(2,928)	-	(2,928)
Others	(165)	(2)	(167)
Ending balance	<u>\$ 8,188</u>	<u>\$ 46</u>	<u>\$ 8,234</u>

	Three-month period ended March 31, 2023		
	Trade receivables	Other receivables	Total
Beginning balance	\$ 8,005	\$ 45	\$ 8,050
Increase	990	4	994
Write-off	(63)	-	(63)
Others	14	(1)	13
Ending balance	<u>\$ 8,946</u>	<u>\$ 48</u>	<u>\$ 8,994</u>

Past due receivables are considered impaired. An allowance for doubtful accounts is specifically recognized for the receivables with impairment indicators individually identified. The Group applies the aging analysis to recognize the lifetime expected credit losses as loss allowances for a group of financial assets with similar credit risk natures that are not individually significant. The allowance for doubtful accounts is included in selling and administrative expenses and other non-operating expenses in the consolidated statements of profit or loss.

7. Inventories

Inventories as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024		
	Acquisition cost	Valuation allowance	Net book value
Merchandise and finished goods	\$ 766,794	\$ (36,057)	\$ 730,737
Work in progress	58,054	-	58,054
Raw materials	546,907	(28,643)	518,264
Materials in transit	164,414	-	164,414
	<u>\$ 1,536,169</u>	<u>\$ (64,700)</u>	<u>\$ 1,471,469</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

7. Inventories (cont'd)

	December 31, 2023		
	Acquisition cost	Valuation allowance	Net book value
Merchandise and finished goods	\$ 660,434	\$ (40,568)	\$ 619,866
Work in progress	73,870	-	73,870
Raw materials	574,622	(22,617)	552,005
Materials in transit	161,220	-	161,220
	<u>\$ 1,470,146</u>	<u>\$ (63,185)</u>	<u>\$ 1,406,961</u>

The cost of inventories recognized as expense and included in cost of sales for the three-month period ended March 31, 2024 amounts to \$1,289,467 thousand (March 31, 2023: \$1,346,920 thousand). Losses on inventory valuation included in cost of sales amount to \$1,515 thousand for the three-month period ended March 31, 2024 (March 31, 2023: \$7,365 thousand).

8. Derivatives

The Group's derivative contracts are classified as follows:

Purpose	Type of derivative instruments	Description
Cash flow hedge	Foreign currency forward	A contract in order to avoid cash flow risk arising from forecasted payment of borrowings and forecasted sales in foreign currencies
	Foreign currency swap	A contract in order to avoid cash flow risk arising from changes in currency rate of forecasted cash flows in foreign currencies
Trading purpose	Interest rate swap	A contract which an interest rate swap is entered into to avoid risk arising from future interest rate changes, but not applied hedge accounting

Details of valuation of derivatives as of March 31, 2024 and December 31, 2023 are as follows (in thousands of respective currencies and in thousands of USD):

March 31, 2024						
	Buy			Sell		
	Currency	Amount	Contract exchange rate(won)/ interest rate	Currency	Amount	Contract exchange rate(won)/ interest rate
Foreign currency forward	JPY	5,804	1,072.52	KRW	62,254	1,072.52
Foreign currency forward	KRW	41,806,930	1,327.20	USD	31,500	1,327.20
Foreign currency swap	JPY	1,906,578	1.00%	KRW	20,000,000	2.88%
Interest rate swap	EUR	37,858	3M EURIBOR	EUR	37,858	3.03%

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

8. Derivatives (cont'd)

	March 31, 2024		
	Derivative assets (liabilities)	Gain on valuation of derivatives	Accumulated other comprehensive income(loss)¹
Foreign currency forward	\$ (7)	\$ -	\$ (7)
Foreign currency forward	(217)	-	(217)
Foreign currency swap	(2,127)	-	132
Interest rate swap	(96)	330	-
	<u>\$ (2,447)</u>	<u>\$ 330</u>	<u>\$ (92)</u>

¹ Presents the amount before taxes.

	December 31, 2023					
	Buy			Sell		
	Currency	Amount	Contract exchange rate(won)/ interest rate	Currency	Amount	Contract exchange rate(won)/ interest rate
Foreign currency forward	JPY	7,732	1,072.52	KRW	82,930	1,072.52
Foreign currency forward	KRW	11,724,300	1,302.70	USD	9,000	1,302.70
Foreign currency swap	JPY	1,906,578	1.00%	KRW	20,000,000	2.88%
Interest rate swap	EUR	39,832	3M EURIBOR	EUR	39,832	3.03%

	December 31, 2023		
	Derivative assets (liabilities)	Loss on valuation of derivatives	Accumulated other comprehensive income (loss)¹
Foreign currency forward	\$ (8)	\$ -	\$ (8)
Foreign currency forward	125	-	125
Foreign currency swap	(1,853)	-	163
Interest rate swap	(435)	(425)	-
	<u>\$ (2,171)</u>	<u>\$ (425)</u>	<u>\$ 280</u>

¹ Presents the amount before taxes.

Derivatives are classified as non-current assets (liabilities) if their remaining maturities exceed 12 months from the end of the reporting period; otherwise, they are classified as current assets (liabilities).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

9. Property, Plant and Equipment

Changes in property, plant and equipment for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024							
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	Total
Beginning	\$ 135,613	\$ 235,818	\$ 331,608	\$ 1,995	\$ 34,457	\$ 112,149	\$ 124,760	\$ 976,400
Acquisition / capital expenditure	-	221	7,640	132	1,052	19,647	9,277	37,969
Disposal	-	-	(84)	(3)	(3)	-	-	(90)
Depreciation	-	(3,148)	(20,221)	(161)	(3,024)	-	(8,754)	(35,308)
Others & transfer ¹	(4,297)	(818)	11,083	45	(609)	(17,318)	(4,446)	(16,360)
Ending	\$ 131,316	\$ 232,073	\$ 330,026	\$ 2,008	\$ 31,873	\$ 114,478	\$ 120,837	\$ 962,611
Acquisition cost	\$ 131,402	\$ 363,635	\$ 795,107	\$ 7,327	\$ 94,436	\$ 114,638	\$ 203,145	\$ 1,709,690
Accumulated depreciation	-	(129,171)	(463,876)	(5,319)	(62,545)	-	(82,308)	(743,219)
Government grants	-	(1,123)	(540)	-	(17)	(160)	-	(1,840)
Accumulated impairment losses	(86)	(1,268)	(665)	-	(1)	-	-	(2,020)

¹ Others and transfer include machinery that is transferred through sale and leaseback transactions but recognized as an asset held by the Group as it does not meet the criteria for derecognition.

	Three-month period ended March 31, 2023							
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	Total
Beginning	\$ 131,550	\$ 220,153	\$ 304,730	\$ 1,739	\$ 33,846	\$ 76,273	\$ 108,617	\$ 876,908
Acquisition / capital expenditure	-	867	10,108	188	658	8,138	8,309	28,268
Disposal	(21)	(24)	(413)	(8)	123	-	-	(343)
Depreciation	-	(2,367)	(18,937)	(163)	(3,087)	-	(8,231)	(32,785)
Others & transfer ¹	(2,241)	15,642	22,444	259	292	(32,582)	4,088	7,902
Ending	\$ 129,288	\$ 234,271	\$ 317,932	\$ 2,015	\$ 31,832	\$ 51,829	\$ 112,783	\$ 879,950
Acquisition cost	\$ 129,288	\$ 345,619	\$ 742,232	\$ 6,194	\$ 84,888	\$ 51,829	\$ 180,115	\$ 1,540,165
Accumulated depreciation	-	(108,701)	(422,941)	(4,178)	(53,000)	-	(67,332)	(656,152)
Government grants	-	(1,221)	(780)	-	(27)	-	-	(2,028)
Accumulated impairment losses	-	(1,426)	(579)	(1)	(29)	-	-	(2,035)

¹ Others and transfer include machinery that is transferred through sale and leaseback transactions but recognized as an asset held by the Group as it does not meet the criteria for derecognition.

After initial recognition, land is measured using a revaluation model. As of March 31, 2024, the carrying amount of land would be \$116,380 thousand if measured based on a cost model.

As of March 31, 2024, certain property, plant and equipment included above are pledged as collateral in relation to the borrowings (see Notes 15 and 34).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

9. Property, Plant and Equipment (cont'd)

Classification of depreciation expenses for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cost of sales	\$ 28,745	\$ 26,223
Selling and administrative expenses		
Depreciation expenses	5,432	5,532
Research and development expenses	1,131	1,030
	<u>\$ 35,308</u>	<u>\$ 32,785</u>

10. Intangible Assets

Changes in intangible assets for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024					
	Goodwill	Industrial rights	Development costs	Construction in progress	Others	Total
Beginning	\$ 2,658,320	\$ 985,278	\$ 125,261	\$ 42,624	\$ 54,396	\$ 3,865,879
Internal development	-	-	5,242	-	-	5,242
Acquisition	-	18	-	10,898	281	11,197
Amortization	-	(28)	(8,726)	-	(3,961)	(12,715)
Others & transfer	(31,301)	(8,536)	(1,235)	(6,944)	5,821	(42,195)
Ending	<u>\$ 2,627,019</u>	<u>\$ 976,732</u>	<u>\$ 120,542</u>	<u>\$ 46,578</u>	<u>\$ 56,537</u>	<u>\$ 3,827,408</u>
Acquisition cost	\$ 2,627,019	\$ 1,120,648	\$ 437,700	\$ 46,578	\$ 172,222	\$ 4,404,167
Accumulated amortization and impairment losses	-	(143,916)	(317,158)	-	(115,685)	(576,759)

	Three-month period ended March 31, 2023				
	Goodwill	Industrial rights	Development costs	Others	Total
Beginning	\$ 2,616,809	\$ 977,687	\$ 136,534	\$ 63,460	\$ 3,794,490
Internal development	-	-	6,469	-	6,469
Acquisition	-	40	-	4,200	4,240
Amortization	-	(27)	(8,761)	(3,617)	(12,405)
Others & transfer	23,187	7,419	292	663	31,561
Ending	<u>\$ 2,639,996</u>	<u>\$ 985,119</u>	<u>\$ 134,534</u>	<u>\$ 64,706</u>	<u>\$ 3,824,355</u>
Acquisition cost	\$ 2,639,996	\$ 1,124,637	\$ 415,629	\$ 184,850	\$ 4,365,112
Accumulated amortization and impairment losses	-	(139,518)	(281,095)	(120,144)	(540,757)

As of March 31, 2024, the carrying amount of goodwill and other intangible assets with indefinite useful lives included in others above is \$3,606,404 thousand (December 31, 2023: \$3,646,367 thousand).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

10. Intangible Assets (cont'd)

Certain intangible assets included above are pledged as collateral as of March 31, 2024 in connection with the borrowings (see Notes 15 and 34).

Details of development costs as of March 31, 2024 are as follows (in thousands of USD):

		Balance	Remaining amortization year (months)
Compact product development (relating to new models and emission regulations)	Development in progress	\$ 45,619	
	Being amortized	54,374	33
Portable Power product development (relating to new models and emission regulations)	Development in progress	203	
	Being amortized	7,911	35
Forklift product development (relating to new models and emission regulations)	Development in progress	5,171	
	Being amortized	7,264	38
		<u>\$ 120,542</u>	

Impairment losses on intangible assets for each of the three-month periods ended March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	Individual asset	Book value	Accumulated Impairment Losses Three-month period ended March 31, 2024	Year ended December 31, 2023
Development costs	Medium Frame GenV and others	\$ -	\$ 4,139	\$ 4,139
	eMEX Shells E32e, E19e and others	294	2,211	2,405
Industrial property rights	RYAN trademark right	-	4,943	4,943
Other Intangible assets	Membership	877	176	176

Classification of amortization expenses for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cost of sales	\$ 10,279	\$ 9,760
Selling and administrative expenses	2,436	2,645
	<u>\$ 12,715</u>	<u>\$ 12,405</u>

Expenditures on research and development recognized as expenses amount to \$37,686 thousand for the three-month period ended March 31, 2024 (March 31, 2023: \$34,807 thousand).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

11. Investment Properties

Changes in investment properties for each of the three-month periods ended March 31, 2024 and 2023 are as follows(in thousands of USD):

	Three-month period ended March 31, 2024		
	Land	Building	Total
Beginning balance	\$ 71,486	\$ 15,595	\$ 87,081
Depreciation	-	(272)	(272)
Others	(3,046)	(662)	(3,708)
Ending balance	<u>\$ 68,440</u>	<u>\$ 14,661</u>	<u>\$ 83,101</u>
Acquisition cost	\$ 68,440	\$ 19,315	\$ 87,755
Accumulated depreciation and impairment loss	-	(4,654)	(4,654)

	Three-month period ended March 31, 2023		
	Land	Building	Total
Beginning balance	\$ 72,734	\$ 19,844	\$ 92,578
Transfer ¹	-	(3,733)	(3,733)
Depreciation	-	(269)	(269)
Others	(2,037)	(444)	(2,481)
Ending balance	<u>\$ 70,697</u>	<u>\$ 15,398</u>	<u>\$ 86,095</u>
Acquisition cost	\$ 70,697	\$ 19,106	\$ 89,803
Accumulated depreciation and impairment loss	-	(3,708)	(3,708)

¹ During the three-month period ended March 31, 2023, due to the modification of the contract, the leased area has been adjusted, and the right-of-use assets classified as investment property have been transferred to lease assets.

Rental income from investment properties occurred during the three-month period ended March 31, 2024 amounts to \$902 thousand (March 31, 2023: \$1,197 thousand).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

12. Investment in Associates

Investments in associates that are accounted for using the equity method as of March 31, 2024 are as follows:

Associates	Principal business activity	Location	Fiscal year end	Percentages of ownership (%)
Ainstein AI, Inc. ¹	Manufacturing of electronic sensing devices and others	U.S.A	December	9.09
Presto Lite Asia Co., Ltd.	Manufacturing of motors and generators	Korea	December	32.31

¹ The Group considers it has significant influence over the entity with the right of decision-making in the entity's Board of Directors.

Details of investments in associates that are accounted for using the equity method as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	Percentages of ownership (%)	March 31, 2024		
		Acquisition cost	Book value	Net asset value
Ainstein AI, Inc.	9.09	\$ 2,000	\$ 1,873	\$ 102
Presto Lite Asia Co., Ltd.	32.31	2,467	2,693	2,693
		<u>\$ 4,467</u>	<u>\$ 4,566</u>	<u>\$ 2,795</u>

	Percentages of ownership (%)	December 31, 2023		
		Acquisition cost	Book value	Net asset value
Ainstein AI, Inc.	9.09	\$ 2,000	\$ 1,892	\$ 87
Presto Lite Asia Co., Ltd.	32.31	2,467	2,822	2,822
		<u>\$ 4,467</u>	<u>\$ 4,714</u>	<u>\$ 2,909</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

12. Investment in Associates (cont'd)

Changes in investment in associates for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024			
	Beginning	Share of loss	Others	Ending
Ainstein AI, Inc.	\$ 1,892	\$ (19)	\$ -	\$ 1,873
Presto Lite Asia Co., Ltd.	2,822	(9)	(120)	2,693
	<u>\$ 4,714</u>	<u>\$ (28)</u>	<u>\$ (120)</u>	<u>\$ 4,566</u>

	Three-month period ended March 31, 2023			
	Beginning	Share of gain	Others	Ending
Ainstein AI, Inc.	\$ 1,859	\$ -	\$ -	\$ 1,859
Presto Lite Asia Co., Ltd.	2,478	22	(70)	2,430
	<u>\$ 4,337</u>	<u>\$ 22</u>	<u>\$ (70)</u>	<u>\$ 4,289</u>

Summarized financial information of associates as of and for the three-month period ended March 31, 2024 is as follows (in thousands of USD):

	March 31, 2024		Three-month period ended March 31, 2024		
	Assets	Liabilities	Sales	Loss for the period	Total comprehensive loss
Ainstein AI, Inc.	\$ 5,482	\$ 4,365	\$ 875	\$ (271)	\$ (271)
Presto Lite Asia Co., Ltd.	11,352	3,020	2,342	(29)	(29)

(5) On January 8, 2021, Doosan Property Co., Ltd. signed a contract to sell Bundang Doosan Tower located at 155 Jeongjail-ro, Bundang-gu, Seongnam-si, Gyeonggi-do to Bundang Doosan Tower Reit Co., Ltd., and Doosan Bobcat Korea Co., Ltd., Doosan Corp., Doosan Enerbility Co., Ltd. and HD Hyundai Infracore Co., Ltd. (formerly, Doosan Infracore Co., Ltd.) jointly signed a lease agreement to lease the building for five years from the date of sale of the building. As HD Hyundai Infracore Co., Ltd. withdrew from the lease agreement on December 31, 2022, Doosan Enerbility Co., Ltd. has succeeded the rights and obligations of HD Hyundai Infracore Co., Ltd. Doosan Bobcat Korea Co., Ltd., a subsidiary of the Group, agreed to jointly lease and sublease the real estate and has the right to rental income to the extent of its share of 9.7% excluding the portion of area it uses, and bears the share of the jointly incurred expenses. It also shares obligations as a lessor to the extent of its share of 9.7%. Meanwhile, Doosan Bobcat Korea Co., Ltd. was absorbed and merged with Doosan Industrial Vehicle Co., Ltd. on January 1, 2024, and on the same date, Doosan Industrial Vehicle Co., Ltd. changed its name to Doosan Bobcat Korea Co., Ltd.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

13. Lease

Changes in right-of-use assets for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

Three-month period ended March 31, 2024							
	Land	Buildings	Machinery	Vehicles	Tools	Equipment	Total
Beginning balance	\$ 3,736	\$ 104,361	\$ 7,211	\$ 6,770	\$ 2	\$ 2,680	\$ 124,760
Acquisition	-	6,037	2,052	1,176	-	12	9,277
Depreciation	(30)	(6,541)	(747)	(1,117)	(1)	(318)	(8,754)
Others	(79)	(4,062)	(12)	(239)	-	(54)	(4,446)
Ending balance	<u>\$ 3,627</u>	<u>\$ 99,795</u>	<u>\$ 8,504</u>	<u>\$ 6,590</u>	<u>\$ 1</u>	<u>\$ 2,320</u>	<u>\$ 120,837</u>
Acquisition cost	\$ 4,192	\$ 164,662	\$ 13,261	\$ 15,729	\$ 15	\$ 5,286	\$ 203,145
Accumulated depreciation	(565)	(64,867)	(4,757)	(9,139)	(14)	(2,966)	(82,308)

Three-month period ended March 31, 2023							
	Land	Buildings	Machinery	Vehicles	Tools	Equipment	Total
Beginning balance	\$ 4,288	\$ 90,321	\$ 5,776	\$ 6,151	\$ 6	\$ 2,075	\$ 108,617
Acquisition	-	5,295	945	1,263	-	806	8,309
Depreciation	(34)	(5,884)	(1,017)	(916)	(1)	(379)	(8,231)
Transfer ¹	-	3,733	-	-	-	-	3,733
Others	(290)	307	(29)	(134)	-	501	355
Ending balance	<u>\$ 3,964</u>	<u>\$ 93,772</u>	<u>\$ 5,675</u>	<u>\$ 6,364</u>	<u>\$ 5</u>	<u>\$ 3,003</u>	<u>\$ 112,783</u>
Acquisition cost	\$ 4,480	\$ 145,540	\$ 8,935	\$ 13,517	\$ 17	\$ 7,626	\$ 180,115
Accumulated depreciation	(516)	(51,768)	(3,260)	(7,153)	(12)	(4,623)	(67,332)

¹ During the three-month period ended March 31, 2023, due to the modification of the contract, the leased area has been adjusted, and the right-of-use assets classified as investment property have been transferred to lease assets.

Changes in lease liabilities for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Beginning balance	\$ 129,036	\$ 115,551
Lease payments	(9,667)	(9,188)
Acquisition of lease assets	9,277	8,309
Interest expenses	1,502	1,394
Termination of lease agreement	(5,661)	(43)
Foreign exchange differences	1,197	264
Ending balance	<u>\$ 125,684</u>	<u>\$ 116,287</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

13. Lease (cont'd)

Classification of depreciation expenses of lease assets for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cost of sales	\$ 4,428	\$ 4,342
Selling and administrative expenses	4,192	3,761
Research and development expenses	134	128
	<u>\$ 8,754</u>	<u>\$ 8,231</u>

Maturity profile of lease liability as of March 31, 2024 is as follows (in thousands of USD):

	Contractual nominal cash flow				
	Total	Less than 1 year	Less than 2 years	Less than 5 years	More than 5 years
Lease liabilities	\$ 141,395	\$ 36,681	\$ 29,034	\$ 55,052	\$ 20,628

Expenditures on short-term leases or leases of low-value assets which are not included in lease assets for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Cost of sales	\$ 63	\$ 104
Selling and administrative expenses	1,362	990
Research and development expenses, etc.	3	-
	<u>\$ 1,428</u>	<u>\$ 1,094</u>

Total cash outflows for leases for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Lease liabilities	\$ 9,667	\$ 9,188
Lease payments on short-term leases and leases of low-value assets	1,428	1,094
	<u>\$ 11,095</u>	<u>\$ 10,282</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

14. Trade and Other Payables

Trade and other payables as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current:		
Trade payables	\$ 978,413	\$ 895,350
Other payables	75,563	97,938
Accrued expenses	497,687	394,300
Dividends payable	59,491	-
	<u>\$ 1,611,154</u>	<u>\$ 1,387,588</u>
Non-current:		
Other payables	\$ 20	\$ 21
Accrued expenses	5,049	4,491
Leasehold deposits received	3,691	4,532
	<u>\$ 8,760</u>	<u>\$ 9,044</u>

15. Borrowings

Borrowings as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

1) Short-term Borrowings

<u>Lender</u>	<u>Annual interest rate</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
SB China	3.30%	\$ 20,688	\$ 21,038
CSOB ¹	EURIBOR + 1.5%	17,034	17,470
SB China	3.30%	10,344	9,946
		<u>\$ 48,066</u>	<u>\$ 48,454</u>

¹ Collateral is provided in relation to this loan. (see Notes 34).

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

15. Borrowings(cont'd)

2) Long-term Borrowings

Lender	Annual interest rate	March 31, 2024	December 31, 2023
Syndicated lenders ¹	3 Month SOFR +2.5%	\$ 733,000	\$ 735,125
CSOB ¹	EURIBOR + 1.5%	65,296	71,334
Mizuho Bank	CD91D+1.5%	29,700	31,022
NongHyup Bank ¹	3M MOR + 1.88%	29,700	31,022
Shinhan Bank Japan ¹	3.28%	12,592	13,495
Shinhan Bank Japan ¹	Japan ST Prime Lending Rate -0.575%	2,642	2,831
Subtotal		872,930	884,829
Less: present value discount		(12,007)	(12,642)
		860,923	872,187
Less: current portion		(50,792)	(21,995)
Total		<u>\$ 810,131</u>	<u>\$ 850,192</u>

¹ Collateral is provided in relation to this loan. (see Notes 34).

16. Sales and Leaseback Liabilities

Sales and leaseback liabilities as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

Lender	Annual interest rate	March 31, 2024	December 31, 2023
HSBC	7.00%	\$ 26,729	\$ 28,801
Investec	7.00%	3,819	4,085
CMF	7.00%	1,739	1,977
Lombard	7.00%	15,207	16,556
Subtotal		47,494	51,419
Less: current portion		(13,034)	(13,393)
Total		<u>\$ 34,460</u>	<u>\$ 38,026</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

17. Net Defined Benefit Liabilities

Details of net defined benefit liabilities recognized in the statements of financial position as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 456,867	\$ 452,775
Fair value of plan assets	(349,954)	(349,689)
Effects of asset ceiling	1,708	1,708
Net defined benefit liabilities	119,170	112,044
Net defined benefit assets	10,549	7,250

Components of retirement benefits presented on the statements of profit or loss for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	March 31, 2024	March 31, 2023
Current service cost	\$ 3,599	\$ 4,029
Net interest expense	1,292	2,251
	\$ 4,891	\$ 6,280

18. Provisions

The Group estimates provisions based on expected expenditures required to settle its obligations for product warranty, refund, related after sales service activities, taking into account factors such as warranty period and historical experiences.

Changes in provisions for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

Three-month period ended March 31, 2024								
	Beginning	Increase	Decrease	Others	Ending	Current	Non-current	
Warranty	\$ 151,408	\$ 15,670	\$ (22,370)	\$ (1,261)	\$ 143,447	\$ 80,905	\$ 62,542	
Product liability	23,661	1,580	(609)	-	24,632	5,030	19,602	
Litigation	1,457	42	(55)	(4)	1,440	1,440	-	
Restructuring	768	-	-	(18)	750	750	-	
Others	912	298	(341)	(17)	852	432	420	
	\$ 178,206	\$ 17,590	\$ (23,375)	\$ (1,300)	\$ 171,121	\$ 88,557	\$ 82,564	

Three-month period ended March 31, 2023								
	Beginning	Increase	Decrease	Others	Ending	Current	Non-current	
Warranty	\$ 152,704	\$ 15,908	\$ (17,551)	\$ 11	\$ 151,072	\$ 82,153	\$ 68,919	
Product liability	25,445	1,479	(851)	-	26,073	4,699	21,374	
Litigation	1,114	93	(112)	(87)	1,008	1,008	-	
Restructuring	833	-	-	18	851	851	-	
Others	1,571	231	(1,351)	194	645	220	425	
	\$ 181,667	\$ 17,711	\$ (19,865)	\$ 136	\$ 179,649	\$ 88,931	\$ 90,718	

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

19. Capital Stock and Capital Surplus

The Company, DBI, is authorized to issue up to 400,000,000 ordinary shares with a par value of ₩ 500 per share. As of March 31, 2024, 100,249,166 ordinary shares are issued out of which 96,490 shares are ordinary shares with restricted voting rights under the Korean Commercial Law.

Changes on capital stock and capital surplus for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Capital surplus			
	Capital stock	Share premium	Other capital surplus	Total
As of January 1, 2024	\$ 43,096	\$ 1,657,374	\$ (177,878)	\$ 1,479,496
As of March 31, 2024	\$ 43,096	\$ 1,657,374	\$ (177,878)	\$ 1,479,496

	Capital surplus			
	Capital stock	Share premium	Other capital surplus	Total
As of January 1, 2023	\$ 43,096	\$ 2,432,749	\$ (177,878)	\$ 2,254,871
Transferred to retained earnings	-	(775,375)	-	(775,375)
As of March 31, 2023	<u>\$ 43,096</u>	<u>\$ 1,657,374</u>	<u>\$ (177,878)</u>	<u>\$ 1,479,496</u>

20. Share-based Compensation

The Group has granted share-based compensation to executives of the Group in accordance with the resolution of the board of directors as follows.

	1st wave
Grant type	Registered common stock
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	March 8, 2022
Grant method	Issuance of treasury shares, cash equivalent to share value
Exercise price	-
Vesting condition	2 or more years of employment after grant
Vesting method	Prorated by the day from January 1 of grant year to December 31 of 2 nd anniversary year from grant
Payment method	Paid at the beginning of 3 rd anniversary year from grant

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

20. Share-based Compensation (cont'd)

	2nd wave
Grant type	Registered common stock
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	March 2, 2023
Grant method	Issuance of treasury shares, cash equivalent to share value
Exercise price	-
Vesting condition	2 or more years of employment after grant
Vesting method	Prorated by the day from January 1 of grant year to December 31 of 2 nd anniversary year from grant
Payment method	Paid at the beginning of 3 rd anniversary year from grant

Share-settled share-based compensation as of March 31, 2024 and December 31, 2023 is as follows (in shares):

	March 31, 2024	December 31, 2023
Beginning	96,490	33,117
Granted	-	67,107
Canceled	-	(3,734)
Ending	<u>96,490</u>	<u>96,490</u>

Cash-settled share-based compensation as of March 31, 2024 and December 31, 2023 is as follows (in shares):

	March 31, 2024	December 31, 2023
Beginning	81,268	29,044
Granted	-	60,601
Canceled	-	(8,377)
Ending	<u>81,268</u>	<u>81,268</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

21. Other Components of Equity

Other components of equity as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Capital adjustment from equity transactions among subsidiaries	\$ 7,700	\$ 7,700
Ordinary shares issued in kind ¹	(186,108)	(186,108)
Treasury shares ²	(3,012)	(3,012)
Share-based compensation expenses ²	1,425	1,214
	<u>\$ (179,995)</u>	<u>\$ (180,206)</u>

¹ The Group received the Doosan Engine's investment in its subsidiaries as an investment in kind before the year ended December 31, 2023. The difference from the reduced book value of non-controlling interests was recognized as other equity item.

² As of March 31, 2024, 96,490 shares are held by the Group for the purpose of share-based compensation.

22. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

<u>Three-month period ended March 31, 2024</u>					
	<u>Gain (loss) on translation of foreign operation</u>	<u>Gain (loss) on valuation of derivatives</u>	<u>Gain on revaluation of property, plant and equipment</u>	<u>Gain (loss) on valuation of equity instruments at fair value through OCI</u>	<u>Total</u>
Beginning balance	\$ (262,342)	\$ 213	\$ 14,811	\$ 109	\$ (247,209)
Increase (decrease)	(55,993)	(367)	1	-	(56,359)
Ending balance	<u>\$ (318,335)</u>	<u>\$ (154)</u>	<u>\$ 14,812</u>	<u>\$ 109</u>	<u>\$ (303,568)</u>

<u>Three-month period ended March 31, 2023</u>					
	<u>Loss on translation of foreign operation</u>	<u>Gain (loss) on valuation of derivatives</u>	<u>Gain on revaluation of property, plant and equipment</u>	<u>Gain (loss) on valuation of equity instruments at fair value through OCI</u>	<u>Total</u>
Beginning balance	\$ (330,539)	\$ 294	\$ 11,087	\$ 542	\$ (318,616)
Increase (decrease)	39,791	(62)	-	-	39,729
Ending balance	<u>\$ (290,748)</u>	<u>\$ 232</u>	<u>\$ 11,087</u>	<u>\$ 542</u>	<u>\$ (278,887)</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

23. Retained Earnings

Details of retained earnings as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	March 31, 2024	December 31, 2023
Legal reserves	\$ 22,566	\$ 22,566
Retained earnings before appropriation	3,603,779	3,500,538
	<u>\$ 3,626,345</u>	<u>\$ 3,523,104</u>

24. Segment Information

The Group operates in a single operating segment and its main products are as follows:

Segment	Main products
Construction Equipment	Compact (Skid Steer Loader, Compact Track Loader, Mini Excavator), Portable Power, Material Handling

Revenue by main products for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Sales	
	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Compact	\$ 1,453,581	\$ 1,467,910
Portable Power	82,428	98,456
Material Handling	266,527	319,141
	<u>\$ 1,802,536</u>	<u>\$ 1,885,507</u>

Revenue by region for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Sales	
	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
North America	\$ 1,375,541	\$ 1,406,090
Europe, Middle East & Africa	265,191	306,541
Asia, Latin America & Oceania	161,804	172,876
	<u>\$ 1,802,536</u>	<u>\$ 1,885,507</u>

No revenue from transactions with a single external customer or counterparty amounting to 10% or more of the Group's total revenue for each of the three-month periods ended March 31, 2024 and 2023.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

24. Segment Information (cont'd)

As of March 31, 2024 and December 31, 2023, the Group's non-current assets by region are as follows (in thousands of USD):

	Non-current assets¹	
	March 31, 2024	December 31, 2023
North America	\$ 1,280,144	\$ 1,275,807
Europe, Middle East and Africa	634,007	651,141
Asia, Latin America and Oceania	331,950	344,092
	<u>\$ 2,246,101</u>	<u>\$ 2,271,040</u>

¹ Non-current assets by region are based on the country where the asset is located. These assets consist of property, plant and equipment, investment property, lease assets and intangible assets (excluding goodwill).

25. Revenue

Details of revenue for each of the three-month periods ended March 31, 2024 and 2023 are as follows(in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Revenue from contracts with customers		
By type of goods or services		
- Manufactured products/merchandise	\$ 1,776,728	\$ 1,861,167
- Others	6,971	6,424
	<u>1,783,699</u>	<u>1,867,591</u>
By timing of recognition		
- Products transferred at a point in time	1,776,728	1,861,167
- Service rendered over time	6,971	6,424
	<u>1,783,699</u>	<u>1,867,591</u>
Revenue from other sources		
- Rental income, etc.	18,837	17,196
	<u>\$ 1,802,536</u>	<u>\$ 1,885,507</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

26. Contract Balances

Details of receivables, contract assets and contract liabilities from contracts with customers as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Trade and other receivables	\$ 448,446	\$ 421,578
Contract liabilities ¹	562,683	462,611

¹ Contract liabilities are included in the trade payables and other payables, other current liabilities and other non-current liabilities.

The contract liabilities primarily related to the advance considerations received from customers for which revenue is recognized on completion of transfer of goods or services.

Among the contract liabilities, \$ 6,109 thousand were recognized as revenue during the three-month period ended March 31, 2024 (March 31, 2023: \$ 6,200 thousand).

27. Expenses by Nature

Expenses classified by nature for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	<u>Three-month period ended March 31, 2024</u>	<u>Three-month period ended March 31, 2023</u>
Purchases of inventories (Raw materials & merchandises)	\$ 1,049,119	\$ 1,100,618
Changes in inventories	(64,508)	(77,348)
Employee benefits	190,272	182,534
Depreciation and amortization	48,295	45,458
Other expenses	333,983	344,435
	<u>\$ 1,557,161</u>	<u>\$ 1,595,697</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

28. Selling and Administrative Expenses

Selling and administrative expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Salaries	\$ 61,389	\$ 52,646
Retirement benefits ¹	3,616	4,154
Employee benefits	10,938	9,827
Rent	2,856	2,329
Depreciation	5,432	5,532
Depreciation of investment properties	272	269
Amortization	2,436	2,645
Research and development	37,686	34,807
Advertising	17,892	17,870
Commission expenses	28,951	21,107
Bad debt expenses	690	990
Insurance expenses	3,964	5,098
Others ²	27,026	25,626
	<u>\$ 203,148</u>	<u>\$ 182,900</u>

¹ Include retirement bonus and others.

² Include share-based compensation expenses.

29. Finance Income and Expenses

Finance income and expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Finance income:		
Interest income	\$ 13,194	\$ 2,448
Gain on foreign currency transactions	11,734	18,269
Gain on foreign currency translation	14,149	11,220
Gain on derivative transactions	103	-
Gain on valuation of derivative	330	20
	<u>39,510</u>	<u>31,957</u>
Finance expenses:		
Interest expenses	(19,856)	(20,954)
Loss on foreign currency transactions	(5,114)	(15,317)
Loss on foreign currency translation	(21,347)	(20,855)
Loss on financial guarantee	(25)	(16)
Others	(591)	(514)
	<u>(46,933)</u>	<u>(57,656)</u>
Net finance expenses	<u>\$ (7,423)</u>	<u>\$ (25,699)</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

30. Other Non-operating Income and Expenses

Other non-operating income and expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Other non-operating income:		
Gain on disposal of property, plant and equipment	\$ 45	\$ 8
Gain on disposal of non-current asset held for sale	-	152
Others	499	277
	<u>544</u>	<u>437</u>
Other non-operating expenses:		
Loss on disposal of trade receivables	(1,093)	(1,336)
Other bad debt expenses	(6)	(4)
Loss on disposal of property, plant and equipment	(4)	(12)
Donations	(5,921)	(7,380)
Loss on disposal of investment in subsidiaries	-	(971)
Loss on disposal of non-current asset held for sale	-	(160)
Others	(490)	(169)
	<u>(7,514)</u>	<u>(10,032)</u>
Net other non-operating expense	<u>\$ (6,970)</u>	<u>\$ (9,595)</u>

31. Income Tax Expense

Income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for full financial year.

The Group is subject to Pillar Two income taxes. However, the Group did not recognize any current income tax expense arising from Pillar Two income taxes because its constituent entities' effective tax rate will be above 15% or the Group may meet the requirements for transitional safe harbour relief in all jurisdictions in which the Group operates.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

32. Earnings Per Share

32.1 Basic Earnings Per Share

Basic earnings per share are computed by dividing profit for the period attributable to owners of the parent company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares.

Earnings per share attributable to owners of the parent company for each of the three-month periods ended March 31, 2024 and 2023 are computed as follows (in USD and in shares):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit for the period attributable to owners of the parent company	\$ 163,198,549	\$ 162,671,885
Weighted average number of ordinary shares outstanding	100,152,676	100,206,191
Basic earnings per share	<u>\$ 1.63</u>	<u>\$ 1.62</u>

Weighted average number of shares are computed as follows (in shares):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Number of ordinary shares outstanding	100,152,676	100,216,049
Treasury shares	-	(9,858)
Weighted average number of ordinary shares outstanding	<u>100,152,676</u>	<u>100,206,191</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

32.2 Diluted Earnings Per Share

Diluted earnings per share are computed by dividing profit for the period attributable to owners of the parent company by the adjusted weighted average number of ordinary shares with the assumption that all convertible securities were converted to common shares.

Diluted earnings per share of owners of the parent company for the three-month period ended March 31, 2024 and March 31, 2023 are as follows (in USD and in shares):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Profit for the period attributable to owners of the parent company	\$ 163,198,549	\$ 162,671,885
Adjusted weighted average number of ordinary shares outstanding	100,210,706	100,211,094
Diluted earnings per share	\$ 1.63	\$ 1.62

Adjusted weighted average number of shares are computed as follows (in shares):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Weighted average number of ordinary shares outstanding	100,152,676	100,206,191
Restricted Stock Unit	58,030	4,903
Adjusted weighted average number of ordinary shares outstanding	100,210,706	100,211,094

Potential ordinary shares for the three-month period ended March 31, 2024 and March 31, 2023 are as follows (in USD and in shares):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Restricted Stock Unit	96,490	96,490

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

33. Commitments and Contingencies

33.1 Litigations

As of March 31, 2024, the Group is a defendant in several legal actions arising from the ordinary course of business, including lawsuits related to product liability claim. Provisions are recognized for those cases with high probability of outflow of resources expected (see Note 18). For other cases, the assessments have been performed and it has been concluded that the outcomes is uncertain and would not have a material impact on the consolidated financial statements.

33.2 Financial Guarantees and Assets Provided as Collaterals

As of March 31, 2024, guarantees provided by the Group for third parties are as follows (in thousands of USD):

Provided for	Provided to	Amount guaranteed
Doosan Bobcat North America Inc. and others	End customers, etc.	\$ 96,675
Doosan Bobcat EMEA s.r.o. and others	End customers, etc.	18
Doosan Bobcat Korea Co., Ltd. and others	End customers, etc.	36,393
		<u>\$ 133,086</u>

The Group provides a payment guarantee of \$ 130,000 thousand for supply chain financing contracts entered into between Doosan Bobcat North America Inc. and Doosan Bobcat EMEA, s.r.o, the subsidiaries of the Group.

Provided by	Type	Amount guaranteed
Machinery Financial Cooperative	Contracts and defects ¹	\$ 1,896
Seoul Guarantee Insurance Company	Performance guarantee	538
Woori Bank	Foreign currency performance guarantee	1,321
Shinhan Bank	Borrowing guarantee	13,252
CSOB	Payment guarantees	5,341
Unicredit	Payment guarantees	3,248
Other guarantees	Other guarantees	1,910
		<u>\$ 27,506</u>

¹ The Group's share in Machinery Financial Cooperative is provided as collateral as of March 31, 2024.

33.3 Key Commitments

33.3.1 Credit agreement

As of March 31, 2024, the Group has contracts with financial institutions for limit loans of \$741,760 thousand, including general loans and overdrafts, comprehensive loans of \$8,713 thousand, and loans secured by accounts receivables of \$36,383 thousand.

33.3.2 Supply Chain Financing commitments

The Group entered into a supply chain financing contract and \$82,172 thousand is recognized as trade payable.

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

33.3.3 Other commitments

As of March 31, 2024, the Group has signed a contract with Doosan New Technology Investment Association No. 1 for a total investment commitment of \$ 14,850 thousand, and the remaining investment commitment amount as of March 31, 2024 is \$ 14,702 thousand.

The Group terminated the lease contract for Bundang Doosan Tower with Doosan Property Co., Ltd. in January 2021, and entered into a new co-lease contract with Doosan Bobcat Korea Co., Doosan Corp., Doosan Enerbility Co., Ltd. and HD Hyundai Infracore Co., Ltd. (formerly, Doosan Infracore Co., Ltd.) for 5 years. As HD Hyundai Infracore Co., Ltd. withdrew from the lease agreement on December 31, 2023, Doosan Enerbility Co., Ltd. took over the relevant status and rights and obligations. Unless certain conditions are met, the lease contract will be extended for another 5 years under the same conditions.

In connection with the business combination that incurred before the year ended December 31, 2023, the Group has succeeded the joint liabilities for financial and operating debts of Doosan Corporation and Doosan Industrial Vehicle Co. Ltd., and the Group believes that the possibility of outflow of resources is low.

34. Assets Provided as Collaterals

Details of the assets provided as collaterals as of March 31, 2024 are as follows (in thousands of USD):

	Doosan Bobcat North America Inc.	Doosan Bobcat EMEA s.r.o	Doosan Bobcat Korea Co., Ltd. etc.
Agreement details	Borrowings and credit limit agreements	Borrowings and credit limit agreements	Borrowings and credit limit agreements
Agreement limit amount	\$ 1,490,000	\$ 161,820	\$ 59,784
Assets provided as collateral	All equity shares of Doosan Bobcat North America Inc., Certain property, plant and equipment, intangible assets and others of Doosan Bobcat North America Inc.	Accounts receivable and inventory	Property, plant and equipment
Collateral value	2,783,613	393,789	71,340
Nominal amount of borrowing	733,000	82,330	44,934

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

35. Related Party Transactions

The Group's related party disclosures for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

Relationship	Name
Ultimate parent	Doosan Corp.
Immediate parent	Doosan Enerbility Co., Ltd.
Associates	Ainstein AI, Inc.
	Presto Lite Asia Co., Ltd.
Others	Doosan Digital Innovation America, LLC
	Oricom Inc.
	Doosan Business Research Institute
	Doosan Cuvex Co., Ltd.
	Bundang Doosan Tower Reit Co., Ltd.
	Doosan New Technology Investment Association

Significant transactions with related parties for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

		Three-month period ended March 31, 2024				
Relationship	Related party	Sales	Other income	Purchase	Other expense	Purchases of investment properties & fixed asset
Ultimate parent	Doosan Corp.	\$ 1,080	\$ -	\$ -	\$ 6,535	\$ 242
Immediate parent	Doosan Enerbility Co., Ltd.	129	-	-	-	-
Associate	Presto Lite Asia Co., Ltd	25	6	1,947	-	-
Others	Doosan Digital Innovation America, LLC	1	-	-	12,093	494
	Oricom Inc.	-	-	-	319	-
	Doosan Business Research Institute	-	-	-	464	-
	Doosan Cuvex Co., Ltd.	-	-	-	742	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	69	-
	Others	270	-	-	3,969	-
	Subtotal	271	-	-	17,656	494
	Total	\$ 1,505	\$ 6	\$ 1,947	\$ 24,191	\$ 736

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

35. Related Party Transactions (cont'd)

Relationship	Related party	Three-month period ended March 31, 2023		
		Sales	Other income	Other
Ultimate parent	Doosan Corp.	\$ 1,094	\$ -	\$ 5,205
Immediate parent	Doosan Enerbility Co., Ltd.	131	-	-
Others	Doosan Digital Innovation America, LLC,	-	2	11,562
	Oricom Inc.	-	-	207
	Doosan Business Research Institute	-	-	427
	Doosan Cuvex Co., Ltd.	-	-	477
	Bundang Doosan Tower Reit Co., Ltd.	-	-	81
	Others	254	-	4,838
	Subtotal	254	2	17,592
	Total	\$ 1,479	\$ 2	\$ 22,797

Related significant balances as of March 31, 2024 and December 31, 2023 are as follows (in thousands of USD):

		March 31, 2024				
Relationship	Related party	Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Ultimate parent	Doosan Corp.	\$ 390	\$ 713	\$ -	\$ 3,366	\$ -
Immediate parent	Doosan Enerbility Co., Ltd.	47	-	-	27,692	-
Associate	Presto Lite Asia Co., Ltd	-	-	572	-	-
Others	Doosan Digital Innovation America LLC	-	129	-	4,499	1,572
	Oricom Inc	-	1,530	-	1,184	-
	Doosan Business Research Institute	-	-	-	230	-
	Doosan Cuvex Co., Ltd.	-	972	-	164	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	-	13,467
	Others	90	2	-	1,147	-
	Subtotal	90	2,633	-	7,224	15,039
	Total	\$ 527	\$ 3,346	\$ 572	\$ 38,282	\$ 15,039

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

35. Related Party Transactions (cont'd)

Relationship	Related party	December 31, 2023				
		Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Ultimate parent	Doosan Corp.	\$ 408	\$ 719	\$ -	\$ 11,840	\$ -
Immediate parent	Doosan Enerbility Co., Ltd.	48	-	-	271	-
Associate	Presto Lite Asia Co., Ltd.			239	-	-
Others	Doosan Digital Innovation America LLC	-	98	-	4,149	1,744
	Oricom Inc.	-	-	-	980	-
	Doosan Business Research Institute	-	-	-	176	-
	Doosan Cuvex Co., Ltd.	-	552	-	347	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	-	14,522
	Others	94	452	-	1,527	-
	Subtotal	94	1,102	-	7,179	16,266
	Total	\$ 550	\$ 1,821	\$ 239	\$ 19,290	\$ 16,266

Fund transactions (including equity transactions) with related parties for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

Relationship	Related party	Three-month period ended March 31, 2023		
		Dividend paid	Repayment of lease liabilities	Investment
Immediate parent	Doosan Enerbility Co., Ltd. ¹	\$ 27,648	\$ -	\$ -
Others	Doosan Digital Innovation America, LLC	-	172	-
	Bundang Doosan Tower Reit Co., Ltd.	-	514	-
	Doosan New Technology Investment Association	-	-	149
		\$ 27,648	\$ 686	\$ 149

¹ The dividend payable to Doosan Enerbility Co., Ltd., USD 27,648 thousand, is included in other liabilities.

Relationship	Related party	Three-month period ended March 31, 2023	
		Dividend paid ²	Repayment of lease liabilities
Immediate parent	Doosan Enerbility Co., Ltd.	\$ 29,761	\$ -
Others	Doosan Digital Innovation America, LLC	-	114
	Bundang Doosan Tower Reit Co., Ltd.	-	528
		\$ 29,761	\$ 642

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

35. Related Party Transactions (cont'd)

The Parent Company defines key management personnel as a person that has an authority and responsibility for planning, directing and controlling the activities of company, regardless of whether they are registered or non-registered officers. Compensation to key management personnel for each of the three-month periods ended March 31, 2024 and 2023 is as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Employee benefits	\$ 1,531	\$ 876
Share-based payment expenses	252	244
Retirement benefits	198	191
	<u>\$ 1,981</u>	<u>\$ 1,311</u>

36. Interim Consolidated Financial Statements of Cash Flows

Details of adjustments and changes in operating assets and liabilities in the interim consolidated statement of cash flows for each of the three-month periods ended March 31, 2024 and 2023 are as follows(in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Adjustments:		
Income tax expense	\$ 67,757	\$ 91,866
Finance income	(27,500)	(13,688)
Finance expenses	41,203	41,809
Retirement benefits (defined benefit plan)	4,891	6,280
Depreciation	35,308	32,785
Depreciation on investment properties	272	269
Amortization	12,715	12,405
Gain on disposal of property, plant and equipment	(45)	(8)
Loss on disposal of property, plant and equipment	4	12
Gain (loss) on equity method investments	28	(22)
Gain on valuation of long-term financial investments	(1)	-
Gain from cancellation of lease agreement	-	(13)
Gain on disposal of non-current assets held for sale	-	(152)
Loss on disposal of non-current assets held for sale	-	160
Share-based compensation	402	239
	<u>\$ 135,034</u>	<u>\$ 171,942</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

36. Interim Consolidated Financial Statements of Cash Flows (cont'd)

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Changes in operating assets and liabilities:		
Trade receivables and other receivables	\$ (29,316)	\$ (8,034)
Inventories	(65,400)	(80,003)
Other current assets	(7,423)	(15,731)
Other non-current assets	(4,619)	(1,961)
Trade payables and other payables	177,950	99,295
Derivatives	234	(454)
Provisions	(6,960)	(1,655)
Other current liabilities	(54,997)	(6,559)
Payment of retirement benefits (defined benefit plan)	(2,356)	(4,491)
Plan assets	1,401	1,198
Other non-current liabilities	6,550	5,665
	<u>\$ 15,064</u>	<u>\$ (12,730)</u>

Significant non-cash transactions for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024	Three-month period ended March 31, 2023
Transfer from construction-in-progress to property, plant and equipment	\$ 15,010	\$ 32,791
Decrease in other payables related to the acquisition of property, plant, and equipment	(13,440)	(7,297)
Decrease in other payables related to the acquisition of intangible assets	(32)	(205)
Acquisition of right-of-use assets	9,277	8,309
Dividends payables	59,491	57,648
	<u>\$ 70,306</u>	<u>\$ 91,246</u>

Doosan Bobcat Inc. and its subsidiaries
Notes to the interim consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

36. Interim Consolidated Financial Statements of Cash Flows (cont'd)

Details of adjustments to liabilities arising from financing activities for each of the three-month periods ended March 31, 2024 and 2023 are as follows (in thousands of USD):

	Three-month period ended March 31, 2024				
	Borrowings	Sales and Leaseback liabilities	Lease liabilities	Dividends Payable	Total
Beginning balance	\$ 920,641	\$ 51,419	\$ 129,036	\$ -	\$ 1,101,096
Acquisition of right-of-use assets	-	-	9,277	-	9,277
Cash flows	(5,846)	(3,506)	(9,667)	-	(19,019)
Foreign exchange differences	(6,442)	(419)	1,198	-	(5,663)
Other non-financial changes	635	-	(4,160)	59,491	55,966
Ending balance	<u>\$ 908,988</u>	<u>\$ 47,494</u>	<u>\$ 125,684</u>	<u>\$ 59,491</u>	<u>\$ 1,141,657</u>

	Three-month period ended March 31, 2023				
	Borrowings	Sales and Leaseback liabilities	Lease liabilities	Dividends Payable	Total
Beginning balance	\$ 1,015,521	\$ 61,034	\$ 115,551	\$ -	\$ 1,192,106
Acquisition of right-of-use assets	-	-	8,309	-	8,309
Cash flows	10,246	(5,837)	(9,188)	-	(4,779)
Foreign exchange differences	(2)	1,565	264	-	1,827
Other non-financial changes	679	-	1,351	57,648	59,678
Ending balance	<u>\$ 1,026,444</u>	<u>\$ 56,762</u>	<u>\$ 116,287</u>	<u>\$ 57,648</u>	<u>\$ 1,257,141</u>