

# **Doosan Bobcat Inc. and its subsidiaries**

Interim consolidated financial statements  
for the six-month period ended June 30, 2024  
with the independent auditor's review report

**Doosan Bobcat Inc. and its subsidiaries**  
**Index**  
**June 30, 2024 and 2023 (Unaudited)**

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**Report on review of interim consolidated financial statements**

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## **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 June 30, 2024, and the related interim consolidated statements of profit or loss, interim consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2024, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended, 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 prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

#### Other matter

The interim consolidated statements of profit or loss, interim consolidated statements of comprehensive income or loss for each of the three-month and six-month periods ended June 30, 2023, the interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended, prepared in accordance with KIFRS 1034 and presented for comparative purposes, have been reviewed by Samil PricewaterhouseCoopers whose review report dated August 10, 2023 expressed an unqualified review conclusion thereon.

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 purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



August 9, 2024

This review report is effective as of August 9, 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 six-month periods ended June 30, 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 June 30, 2024 and December 31, 2023**

(in USD)

	Notes	June 30, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,5	\$ 1,306,698,435	\$ 1,085,800,576
Short-term financial instruments	4,5	4,780,530	5,041,104
Short-term financial investments	4,5	252,800	-
Trade and other receivables, net	4,5,6,25,35	444,345,593	437,369,916
Inventories, net	7	1,601,042,410	1,406,960,510
Derivative assets	4,5,8	888,491	125,177
Other current assets		103,168,923	78,197,757
Total current assets		<u>\$ 3,461,177,182</u>	<u>\$ 3,013,495,040</u>
<b>Non-current assets</b>			
Long-term financial instruments	4,5	\$ 1,306,891	\$ 1,342,247
Long-term financial investments	4,5	9,470,227	8,581,140
Other receivables, net	4,5,6,25,35	17,015,269	17,475,768
Investment in associates	12	4,534,688	4,714,113
Property, plant and equipment, net	9, 13	995,751,253	976,400,358
Intangible assets, net	10	3,818,891,824	3,865,879,152
Investment properties	11	80,304,238	87,080,595
Deferred tax assets		38,904,510	40,106,777
Net defined benefit assets	17	9,809,927	7,250,082
Other non-current assets	4,5	19,592,499	21,535,243
Total non-current assets		<u>\$ 4,995,581,326</u>	<u>\$ 5,030,365,475</u>
<b>Total assets</b>		<u>\$ 8,456,758,508</u>	<u>\$ 8,043,860,515</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4,5,14,26,35	\$ 1,573,318,542	\$ 1,387,587,708
Short-term borrowings	4,5,15	86,472,691	48,453,514
Current portion of long-term borrowings	4,5,15	49,155,590	21,995,092
Income tax payable		26,708,096	48,740,089
Derivative liabilities	5,8	2,828,386	1,861,013
Lease liabilities	4,5,13,35	32,152,286	32,299,902
Provisions	18	87,642,306	94,697,919
Sales and leaseback liabilities	4,5,16	12,502,648	13,393,336
Other current liabilities	4,5,26	170,037,306	220,699,231
Total current liabilities		<u>\$ 2,040,817,851</u>	<u>\$ 1,869,727,804</u>
<b>Non-current liabilities</b>			
Other non-current payables	4,5,14,35	\$ 9,863,061	\$ 9,043,689
Bonds	4,5,15	49,559,455	-
Long-term borrowings	4,5,15	892,205,167	850,192,156
Net defined benefit liabilities	17	120,728,178	112,043,559
Deferred tax liabilities		297,075,791	287,827,053
Long-term derivative liabilities	5,8	1,368,384	434,800
Non-current lease liabilities	4,5,13,35	87,448,895	96,735,719
Non-current provisions	18	84,039,871	83,508,213
Non-current sales and leaseback liabilities	4,5,16	34,943,673	38,025,726
Other non-current liabilities	26	88,966,182	78,039,997
Total non-current liabilities		<u>\$ 1,666,198,657</u>	<u>\$ 1,555,850,912</u>
<b>Total liabilities</b>		<u>\$ 3,707,016,508</u>	<u>\$ 3,425,578,716</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Parent Company</b>			
Capital stock	1,19	\$ 43,095,528	\$ 43,095,528
Capital surplus	19	1,479,496,483	1,479,496,483
Other components of equity	20,21	(181,873,290)	(180,206,037)
Accumulated other comprehensive income(loss)	22	(331,789,115)	(247,208,643)
Retained earnings	23	3,740,812,394	3,523,104,468
<b>Total equity</b>		<u>\$ 4,749,742,000</u>	<u>\$ 4,618,281,799</u>
<b>Total liabilities and equity</b>		<u>\$ 8,456,758,508</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 comprehensive income or loss**  
**for each of the three-month and six-month periods ended June 30, 2024 and 2023**

(in USD)

	Period Ended June 30			
	2024 (Unaudited)		2023 (Unaudited)	
	Three months	Six months	Three months	Six months
<b>Profit for the period</b>	<u>\$ 114,466,901</u>	<u>\$ 277,665,450</u>	<u>\$ 235,394,724</u>	<u>\$ 398,066,609</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of net defined benefit liabilities	-	9,650	(1,292,434)	(1,292,434)
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	(27,445,509)	(83,438,983)	(5,154,002)	34,636,874
Loss on valuation of derivatives	<u>(775,674)</u>	<u>(1,142,237)</u>	<u>(30,254)</u>	<u>(91,862)</u>
	<u>(28,221,183)</u>	<u>(84,570,822)</u>	<u>(6,476,690)</u>	<u>33,252,578</u>
<b>Total comprehensive income (loss) for the period</b>	<u>\$ 86,245,718</u>	<u>\$ 193,094,628</u>	<u>\$ 228,918,034</u>	<u>\$ 431,319,187</u>
<b>Total comprehensive income (loss) for the period is attributable to:</b>				
Owners of the Parent Company	\$ 86,245,718	\$ 193,094,628	\$ 228,918,034	\$ 431,319,187

**Doosan Bobcat Inc. and its subsidiaries**  
**Interim consolidated statements of profit or loss**  
**for each of the three-month and six-month periods ended June 30, 2024 and 2023**

(in USD)	Notes	Period Ended June 30			
		2024 (Unaudited)		2023 (Unaudited)	
		Three months	Six months	Three months	Six months
<b>Sales</b>	24,25,26,35	\$ 1,629,269,502	\$ 3,431,805,839	\$ 2,035,227,136	\$ 3,920,733,879
<b>Cost of sales</b>	27	(1,236,687,138)	(2,590,699,623)	(1,539,086,114)	(2,951,883,157)
<b>Gross profit</b>		392,582,364	841,106,216	496,141,022	968,850,722
Selling and administrative expenses	27,28	(218,906,082)	(422,054,149)	(140,202,234)	(323,102,299)
<b>Operating profit</b>		173,676,282	419,052,067	355,938,788	645,748,423
<b>Non-operating income (expenses)</b>					
Finance income	5,29	36,780,065	76,289,804	19,087,210	51,043,964
Finance expenses	5,29	(38,289,672)	(85,222,281)	(36,599,927)	(94,255,619)
Other non-operating income	30	318,184	862,503	474,294	911,345
Other non-operating expenses	30	(3,175,573)	(10,689,197)	(4,279,604)	(14,311,762)
Gain(loss) on equity method	12	51,792	23,406	(41,859)	(20,063)
		(4,315,204)	(18,735,765)	(21,359,886)	(56,632,135)
<b>Profit before income tax expense</b>		169,361,078	400,316,302	334,578,902	589,116,288
<b>Income tax expense</b>	31	(54,894,177)	(122,650,852)	(99,184,178)	(191,049,679)
<b>Profit for the period</b>		<u>\$ 114,466,901</u>	<u>\$ 277,665,450</u>	<u>\$ 235,394,724</u>	<u>\$ 398,066,609</u>
<b>Profit is attributable to:</b>					
Owners of the Parent Company		\$ 114,466,901	\$ 277,665,450	\$ 235,394,724	\$ 398,066,609
<b>Earnings per share</b>	32				
<b>attributable to the owners of the Parent Company</b>					
Basic earnings per share		\$ 1.14	\$ 2.77	\$ 2.35	\$ 3.97
Diluted earnings per share		\$ 1.14	\$ 2.77	\$ 2.35	\$ 3.97



**Doosan Bobcat Inc. and its subsidiaries**  
Interim consolidated statements of changes in equity  
For each of the six-month periods ended June 30, 2024 and 2023

(in USD)

(in USD)

	Attributable to owners of the Parent Company					
	Capital stock	Capital surplus	Other components of equity	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	-	-	-	-	398,066,609	398,066,609
Losses on remeasurements of net defined benefit liabilities	-	-	-	-	(1,292,434)	(1,292,434)
Gains on translation of foreign operations	-	-	-	34,636,874	-	34,636,874
Losses on valuation of derivatives	-	-	-	(91,862)	-	(91,862)
	-	-	-	34,545,012	396,774,175	431,319,187
Capital transactions with owners						
Acquisition of treasury shares	-	-	(1,928,113)	-	-	(1,928,113)
Share-based compensation expenses	-	-	440,265	-	-	440,265
Annual dividend	-	-	-	-	(57,648,441)	(57,648,441)
Transferred to retained earnings	-	(775,374,118)	-	-	775,374,118	-
	-	(775,374,118)	(1,487,848)	-	717,725,677	(59,136,289)
Balance as of June 30, 2023 (unaudited)	\$ 43,095,528	\$ 1,479,496,483	\$ (180,665,798)	\$ (284,070,922)	\$ 3,278,967,130	\$ 4,336,822,421
Balance as of January 1, 2024	\$ 43,095,528	\$ 1,479,496,483	\$ (180,206,037)	\$ (247,208,643)	\$ 3,523,104,468	\$ 4,618,281,799
Total comprehensive income:						
Profit for the period	-	-	-	-	277,665,450	277,665,450
Gains on remeasurements of net defined benefit liabilities	-	-	-	-	9,650	9,650
Losses on translation of foreign operations	-	-	-	(83,438,983)	-	(83,438,983)
Losses on valuation of derivatives	-	-	-	(1,142,237)	-	(1,142,237)
Gains on revaluation of property, plant and equipment	-	-	-	748	-	748
	-	-	-	(84,580,472)	277,675,100	193,094,628
Capital transactions with owners						
Acquisition of treasury shares	-	-	(2,424,913)	-	-	(2,424,913)
Share-based compensation expenses	-	-	757,660	-	-	757,660
Annual dividend	-	-	-	-	(59,967,174)	(59,967,174)
	-	-	(1,667,253)	-	(59,967,174)	(61,634,427)
Balance as of June 30, 2024 (unaudited)	\$ 43,095,528	\$ 1,479,496,483	\$ (181,873,290)	\$ (331,789,115)	\$ 3,740,812,394	\$ 4,749,742,000

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 six-month periods ended June 30, 2024 and 2023**

(in USD)

	Note	six-month periods ended June 30	
		2024 (unaudited)	2023 (unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from operations:	36	\$ 450,841,568	\$ 758,948,002
Profit for the period		277,665,450	398,066,609
Adjustments		247,013,789	302,160,747
Changes in operating assets and liabilities		(73,837,671)	58,720,646
Interest received		26,537,092	5,955,168
Interest paid		(38,745,209)	(41,093,338)
Income tax paid		(135,551,446)	(127,729,747)
<b>Net cash flows provided by operating activities</b>		<b>303,082,005</b>	<b>596,080,085</b>
<b>Cash flows from investing activities</b>			
Cash inflows from investing activities:			
Decrease in loan		-	223,943
Disposal of property, plant and equipment		1,771,230	1,380,637
Disposal of business		-	11,275,285
		<b>1,771,230</b>	<b>12,879,865</b>
Cash outflows for investing activities:			
Purchase of property, plant and equipment		93,652,253	51,461,776
Purchase of intangible assets		32,024,505	22,104,861
Purchase of Investment properties		-	852,344
Purchase of long-term financial investments		1,185,624	3,015,444
Cash outflows for other investing activities		18,228,974	-
<b>Net cash flows used in investing activities</b>		<b>(145,091,356)</b>	<b>(77,434,425)</b>
<b>Cash flows from financing activities</b>		<b>(143,320,126)</b>	<b>(64,554,560)</b>
Cash inflows from financing activities:			
Increase in borrowings		131,472,484	77,502,708
Issuance of corporate bonds		49,550,003	-
Increase of sales and leaseback liabilities		5,357,277	3,818,294
		<b>186,379,764</b>	<b>81,321,002</b>
Cash outflows for financing activities:			
Repayment of borrowings		12,787,373	70,143,397
Payment of dividends		59,967,174	57,648,440
Payment of lease liabilities		16,807,693	17,019,525
Repayment of sales and leaseback liabilities		10,197,265	11,816,106
Acquisition of treasury shares		2,424,913	1,928,113
		<b>(102,184,418)</b>	<b>(158,555,581)</b>
<b>Net cash flows provided by (used in) financing activities</b>		<b>84,195,346</b>	<b>(77,234,579)</b>
Effects of exchange rate changes on cash and cash equivalents		(23,059,366)	(523,202)
Net increase in cash and cash equivalents		220,897,859	453,767,744
Cash and cash equivalents at the beginning of period		1,085,800,576	551,570,225
<b>Cash and cash equivalents at the end of period</b>		<b>\$ 1,306,698,435</b>	<b>\$ 1,005,337,969</b>

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

### June 30, 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 June 30, 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 Company's shareholders as of June 30, 2024 are as follows:

Shareholder	Number of shares owned	Percentages of ownership (%)
Doosan Enerbility Co., Ltd.	46,176,250	46.06%
Treasury shares	156,957	0.16%
Others	53,915,959	53.78%
	100,249,166	100.00%

#### 1.1 Consolidated Subsidiaries

Details of the consolidated subsidiaries as of June 30, 2024 and December 31, 2023 are as follows:

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			June 30, 2024	December 31, 2023	
Doosan Bobcat North America Inc. <sup>2</sup>	Manufacturing and sales	USA	100	100	December
Doosan Bobcat North America Inc.'s subsidiaries :					
Doosan Bobcat Canada Ltd. <sup>2</sup>	Sales	Canada	100	100	December
Doosan Bobcat Mexico Monterrey, S. de R.L. de C.V. <sup>1</sup>	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 <sup>2</sup>	Sales	Germany	100	100	December
Doosan Bobcat Holdings France S.A.S. <sup>2</sup>	Holdings	France	100	100	December
JSC Doosan International Russia	Sales	Russia	100	100	December
Doosan Bobcat UK Ltd. <sup>2</sup>	Sales	England	100	100	December
Doosan Bobcat South Africa (PTY) Ltd. <sup>2</sup>	Sales	South Africa	100	100	December
Doosan Bobcat France S.A.S <sup>2</sup>	Manufacturing	France	100	100	December
Geith International Ltd.	Sales	Ireland	100	100	December
Doosan Bobcat Belgium B.V. <sup>2</sup>	Sales	Belgium	100	100	December
Doosan Bobcat UK Northampton Ltd. <sup>2</sup>	Sales	England	100	100	December
Doosan Bobcat Germany GmbH <sup>2</sup>	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

### June 30, 2024 and 2023 (Unaudited)

#### 1.1 Consolidated Subsidiaries (cont'd)

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			June 30, 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 <sup>2</sup>	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.) <sup>3</sup>					
Doosan Bobcat Korea Co., Ltd.'s subsidiaries :					
Doosan Bobcat China Yantai Co., Ltd. <sup>2</sup>	Manufacturing and sales	China	100	100	December
Doosan Bobcat Korea Co., Ltd. <sup>3</sup>	Sales	Korea	-	100	December

<sup>1</sup> Newly established during the year ended December 31, 2023.

<sup>2</sup> Changed its name during the year ended December 31, 2023.

<sup>3</sup> During the six-month period ended June 30, 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 June 30, 2024 and for the six-month period ended June 30, 2024 is as follows (in thousands of USD):

	June 30, 2024		Six-month period ended June 30, 2024		
	Assets	Liabilities	Sales	Profit for the period	Total comprehensive income
Doosan Bobcat North America, Inc. and its subsidiaries	\$ 5,608,808	\$ 2,796,466	\$ 2,665,385	\$ 233,135	\$ 233,135
Doosan Bobcat Canada Ltd.	166,451	70,439	180,152	10,610	10,610
Doosan Bobcat EMEA s.r.o. and its subsidiaries	2,339,331	637,795	759,263	26,368	26,368
Bobcat France S.A.S.	88,287	54,824	114,592	1,078	1,078
Doosan Bobcat Belgium BV	76,641	53,539	67,936	1,912	1,912
Rushlift Ltd.	111,644	101,972	30,128	194	194
Doosan Bobcat Singapore Pte., Ltd. and its subsidiaries	220,386	104,829	98,608	1,829	1,829
Doosan Bobcat China Co., Ltd	101,851	62,632	50,442	993	993
Doosan Bobcat India Private Ltd.	107,210	63,301	47,740	635	635
Doosan Bobcat Korea Co., Ltd. and its subsidiaries	835,274	497,037	603,663	74,124	72,978

**Doosan Bobcat Inc. and its subsidiaries**  
**Notes to the interim consolidated financial statements**  
**June 30, 2024 and 2023 (Unaudited)**

**1.3 Changes in Scope of Consolidation**

Changes in the scope of consolidation for each of the six-month periods ended June 30, 2024 and 2023:

Name of Subsidiary	Six-month period ended June 30, 2024	
	Details	Reason
Doosan Bobcat Korea Co., Ltd.	Excluded from the consolidation	Merged

  

Name of Subsidiary	Six-month period ended June 30, 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 six-month period ended June 30, 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 June 30, 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.

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## Notes to the interim consolidated financial statements

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#### 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 are 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 Model 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.

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### 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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	June 30, 2024				
	USD	EUR	GBP	Others <sup>1</sup>	Total
Financial assets	\$ 628,025	\$ 51,769	\$ 27,828	\$ 9,033	\$ 716,655
Financial liabilities	(524,918)	(109,571)	(868)	(27,075)	(662,432)
Net	\$ 103,107	\$ (57,802)	\$ 26,960	\$ (18,042)	\$ 54,223

  

	December 31, 2023				
	USD	EUR	GBP	Others <sup>1</sup>	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	\$ (6,318)	\$ (25,864)	\$ 35,523	\$ (21,674)	\$ (18,333)

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

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**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.

	Six-month period ended June 30, 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	\$ 5,422	\$ (5,422)	\$ (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 assets and liabilities with floating interest rates exposed to interest rate risk as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD). However, borrowings invested in derivative products for the purpose of hedging risk of interest fluctuations are excluded (see Note 8).

	June 30, 2024	December 31, 2023
Financial assets	\$ 3,992	\$ -
Financial liabilities	996,660	888,804
Net Financial assets(liabilities)	\$ (992,668)	\$ (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			
	Six-month period ended June 30, 2024		Year ended December 31, 2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Profit before income tax expense	\$ (9,927)	\$ 9,927	\$ (8,888)	\$ 8,888



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**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 June 30, 2024 and December 31, 2023 are as follows(in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Cash and cash equivalents	\$ 1,306,698	\$ 1,085,801
Short-term financial instruments <sup>1</sup>	4,781	5,041
Short-term financial investments	253	-
Trade and other receivables	444,346	437,370
Long-term financial instruments <sup>2</sup>	1,307	1,342
Long-term financial investments	9,470	8,581
Long-term other receivables	17,015	17,476
Derivative assets	888	125
Other non-current assets	7,628	8,981
	<u>\$ 1,792,386</u>	<u>\$ 1,564,717</u>

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

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

In addition to the above, the maximum amounts of payment guarantees (refer to Note 33) of the Group upon a guaranteed party's claim based on the guarantee arrangement are exposed to credit risk.

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**4.1.2 Credit Risk (cont'd)**

Aging analysis of the Group's trade and other receivables as of June 30, 2024 and December 31, 2023 is as follows (in thousands of USD):

June 30, 2024							
Individually impaired receivables	Receivables assessed for impairment on a collective basis						Total
	Within due	0–3	3–6	6–12	Over	12 months	
		months	months	months	12 months		
Trade receivables	\$ 2,984	\$ 337,166	\$ 49,886	\$ 9,279	\$ 8,536	\$ 4,336	\$ 412,187
Other receivables	3,473	30,926	5,854	-	-	-	40,253
Accrued income	215	87	-	-	-	-	302
Short-term loans	36	57	-	-	-	-	93
Long-term other receivables	-	17,015	-	-	-	-	17,015
	<u>\$ 6,708</u>	<u>\$ 385,251</u>	<u>\$ 55,740</u>	<u>\$ 9,279</u>	<u>\$ 8,536</u>	<u>\$ 4,336</u>	<u>\$ 469,850</u>

December 31, 2023							
Individually impaired receivables	Receivables assessed for impairment on a collective basis						Total
	Within due	0–3	3–6	6–12	Over	12 months	
		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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

June 30, 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	3–6	6–12	Over		
		months	months	months	12 months		
Trade receivables	\$ 2,628	\$ 1,052	\$ 609	\$ 327	\$ 1,052	\$ 2,790	\$ 8,458
Other receivables	-	-	31	-	-	-	31
	\$ 2,628	\$ 1,052	\$ 640	\$ 327	\$ 1,052	\$ 2,790	\$ 8,489

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**4.1.2 Credit Risk (cont'd)**

		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
	<u>\$ 4,732</u>	<u>\$ 866</u>	<u>\$ 586</u>	<u>\$ 724</u>	<u>\$ 973</u>	<u>\$ 2,752</u>	<u>\$ 10,633</u>

**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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

		June 30, 2024					
	Book value	Contractual nominal cash flows					Total
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years	
Trade payables	\$ 982,994	\$ 982,994	\$ 982,994	\$ -	\$ -	\$ -	-
Other payables (current and non-current)	600,188	600,188	590,325	5,585	1,771	2,507	-
Other current liabilities	3,311	3,311	3,311	-	-	-	-
Borrowings	1,027,833	1,344,949	208,995	138,792	997,162	-	-
Lease liabilities	119,601	134,040	36,609	27,770	51,593	18,068	-
Bonds	49,559	50,000	-	-	50,000	-	-
Sales and leaseback Liabilities	47,446	54,851	15,339	13,339	22,153	4,020	-
	<u>\$ 2,830,932</u>	<u>\$ 3,170,334</u>	<u>\$ 1,837,573</u>	<u>\$ 185,486</u>	<u>\$ 1,122,680</u>	<u>\$ 24,595</u>	

  

		December 31, 2023					
	Book value	Contractual nominal cash flows					Total
		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>	

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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 June 30, 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.

**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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Debt	\$ 3,707,017	\$ 3,425,579
Equity	<u>4,749,742</u>	<u>4,618,282</u>
Debt-to-equity ratio	<u>78.05%</u>	<u>74.17%</u>

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**5. Financial Instruments by Category**

**5.1 Carrying Amounts of Financial Instruments by Category**

Classification of financial assets and liabilities by category as of June 30, 2024 and December 31, 2023 is as follows (in thousands of USD):

	June 30, 2024				
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Other Financial Assets <sup>1</sup>	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,306,698	\$ -	\$ -	\$ -	\$ 1,306,698
Short-term financial instruments	4,781	-	-	-	4,781
Short-term financial investments	-	-	253	-	253
Trade and other receivables	426,608	-	17,738	-	444,346
Derivative assets (current and non-current)	-	-	-	888	888
Long-term other receivables	17,015	-	-	-	17,015
Long-term financial instruments	1,307	-	-	-	1,307
Long-term financial investments	-	9,470	-	-	9,470
Other non-current assets	7,628	-	-	-	7,628
	<u>\$ 1,764,037</u>	<u>\$ 9,470</u>	<u>\$ 17,991</u>	<u>\$ 888</u>	<u>\$ 1,792,386</u>

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

June 30, 2024				
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other financial liabilities <sup>1</sup>	Total
<b>Liabilities:</b>				
Trade and other payables	\$ 1,573,319	\$ -	\$ -	\$ 1,573,319
Bonds	49,559	-	-	49,559
Borrowings	1,027,833	-	-	1,027,833
Derivative liabilities (current and non-current)	-	208	3,989	4,197
Sales and leaseback liabilities (current and non-current)	47,446	-	-	47,446
Other current liabilities	3,311	-	-	3,311
Other non-current payables	9,863	-	-	9,863
Financial guarantee liability	-	-	24,723	24,723
Lease liabilities (current and non-current)	-	-	119,601	119,601
	<u>\$ 2,711,331</u>	<u>\$ 208</u>	<u>\$ 148,313</u>	<u>\$ 2,859,852</u>

<sup>1</sup> Includes lease liabilities and derivatives designated as hedging instruments.

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 <sup>1</sup>	Total
<b>Assets:</b>					
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 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

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**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 <sup>1</sup>	Total
<b>Liabilities:</b>				
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>

<sup>1</sup> Includes lease liabilities and derivatives designated as hedging instruments.

During the six-month period ended June 30, 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.

**5.2 Fair Value Hierarchy**

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	June 30, 2024			
	Level 1 <sup>1</sup>	Level 2 <sup>1</sup>	Level 3 <sup>1</sup>	Total
<b>Financial assets:</b>				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 9,470	\$ 9,470
Financial assets at fair value through OCI	-	17,738	253	17,991
Other financial assets (Hedging derivatives)	-	888	-	888
	<u>\$ -</u>	<u>\$ 18,626</u>	<u>\$ 9,723</u>	<u>\$ 28,349</u>
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss	\$ -	\$ 208	\$ -	\$ 208
Other financial liabilities (Hedging derivatives)	-	3,989	-	3,989
	<u>\$ -</u>	<u>\$ 4,197</u>	<u>\$ -</u>	<u>\$ 4,197</u>

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**5.2 Fair Value Hierarchy (cont'd)**

	December 31, 2023			
	Level 1 <sup>1</sup>	Level 2 <sup>1</sup>	Level 3 <sup>1</sup>	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>

<sup>1</sup> 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.

Assets and liabilities whose carrying value is a reasonable approximation of fair value are excluded from the fair value disclosure above.

**5.3 Changes in Fair Value of Level 3 Financial Instruments**

Changes in level 3 financial instruments measured at fair value for the six-month period ended June 30, 2024 are as follows (in thousands of USD):

	Six-month period ended June 30, 2024					
	Beginning	Fair value evaluation	Acquisition	Disposal	Others <sup>1</sup>	Ending
Financial assets at fair value through profit or loss	\$ 8,326	\$ 1	\$ 1,186	\$ -	\$ (43)	\$ 9,470
Financial assets at fair value through OCI	255	-	-	-	(2)	253
	<u>\$ 8,581</u>	<u>\$ 1</u>	<u>\$ 1,186</u>	<u>\$ -</u>	<u>\$ (45)</u>	<u>\$ 9,723</u>

<sup>1</sup> Others include effect of foreign exchange translation, etc.



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**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 six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

Six-month period ended June 30, 2024							
Profit for the period							Other comprehensive loss
Interest income (expense)	Bad debt expense	Loss on disposal	Gain on derivatives	Loss on valuation	Others		
Financial assets:							
Financial assets at amortized cost	\$ 26,730	\$ (1,493)	\$ -	\$ -	\$ -	\$ -	\$ -
Financial assets at fair value through profit or loss	-	-	-	405	1	-	-
Financial assets at fair value through OCI	-	-	(3,111)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	(1,482)
	<u>\$ 26,730</u>	<u>\$ (1,493)</u>	<u>\$ (3,111)</u>	<u>\$ 405</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1,482)</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (36,868)	\$ -	\$ -	\$ -	\$ -	\$ (1,219)	\$ -
Other financial liabilities	(3,026)	-	-	(8)	-	(61)	-
	<u>\$ (39,894)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ (1,280)</u>	<u>\$ -</u>
Six-month period ended June 30, 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	\$ 6,732	\$ (1,785)	\$ -	\$ -	\$ -	\$ -	\$ -
Financial assets at fair value through profit or loss	-	-	-	442	-	1	-
Financial assets at fair value through OCI	-	-	(3,591)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	(103)
	<u>\$ 6,732</u>	<u>\$ (1,785)</u>	<u>\$ (3,591)</u>	<u>\$ 442</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (103)</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (39,760)	\$ -	\$ -	\$ -	\$ -	\$ (1,038)	\$ -
Other financial liabilities	(2,891)	-	-	(59)	-	(37)	-
	<u>\$ (42,651)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59)</u>	<u>\$ -</u>	<u>\$ (1,075)</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, financial assets at fair value through OCI and financial liabilities at amortized cost.

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**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 June 30, 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	\$ 8,564	\$ (3,789)	\$ 4,775
Other receivables	31	(30)	1
	<u>\$ 8,595</u>	<u>\$ (3,819)</u>	<u>\$ 4,776</u>
Financial liabilities:			
Trade payables	\$ (16,832)	\$ 3,819	\$ (13,013)

**6. Trade and Other Receivables**

Trade and other receivables as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	June 30, 2024		
	Gross	Allowance for doubtful accounts	Net
Current:			
Trade receivables	\$ 412,187	\$ (8,458)	\$ 403,729
Other receivables	40,253	(31)	40,222
Accrued income	302	-	302
Short-term loans	93	-	93
	<u>\$ 452,835</u>	<u>\$ (8,489)</u>	<u>\$ 444,346</u>
Non-current:			
Long-term other receivables	\$ 17,015	\$ -	\$ 17,015
	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

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**6. Trade and Other Receivables (cont'd)**

Changes in allowance for doubtful accounts for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>		
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Total</b>
Beginning balance	\$ 10,591	\$ 42	\$ 10,633
Increase (reversal)	1,371	(7)	1,364
Write-off	(3,244)	-	(3,244)
Others	(260)	(4)	(264)
Ending balance	<u>\$ 8,458</u>	<u>\$ 31</u>	<u>\$ 8,489</u>

  

	<b>Six-month period ended June 30, 2023</b>		
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Total</b>
Beginning balance	\$ 8,005	\$ 45	\$ 8,050
Increase	1,492	293	1,785
Write-off	(692)	-	(692)
Others	6	(6)	-
Ending balance	<u>\$ 8,811</u>	<u>\$ 332</u>	<u>\$ 9,143</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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Net book value</b>
Merchandise and finished goods	\$ 855,701	\$ (40,168)	\$ 815,533
Work in progress	55,194	-	55,194
Raw materials	598,552	(34,564)	563,988
Materials in transit	166,327	-	166,327
	<u>\$ 1,675,774</u>	<u>\$ (74,732)</u>	<u>\$ 1,601,042</u>

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**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 six-month period ended June 30, 2024 amounts to \$ 2,460,573 thousand (June 30, 2023: \$ 2,810,060 thousand). Losses on inventory valuation included in cost of sales amount to \$ 11,547 thousand for the six-month period ended June 30, 2024 (June 30, 2023: \$ 14,141 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 which currency forward is designated as hedging instrument in order to hedge cash flow risk arising from forecasted payment of borrowings and forecasted sales in foreign currencies
	Foreign currency swap	A contract in which currency swap is designated as hedging instrument in order to hedge cash flow risk arising from changes in currency rate of forecasted cash flows in foreign currencies and interest rate
Trading purpose	Interest rate swap	A contract in which an interest rate swap is entered into in order to hedge risk arising from future interest rate changes, but hedge accounting is not applied

Details of valuation of derivatives as of June 30, 2024 and December 31, 2023 are as follows (in thousands of respective currencies and in thousands of USD):

June 30, 2024						
Buy				Sell		
		Contract exchange rate(won)/ interest rate			Contract exchange rate(won)/ interest rate	
Currency	Amount		Currency	Amount		
Foreign currency forward	JPY 3,856	1,072.52	KRW	41,351	1,072.52	
Foreign currency forward	KRW 65,875,920	1,372.42	USD	48,000	1,372.42	
Foreign currency swap	JPY 1,906,578	1.00%	KRW	20,000,000	2.88%	
Foreign currency swap	USD 50,000	SOFR +1.05%	KRW	68,575,000	4.42%	
Interest rate swap	EUR 35,884	3M EURIBOR	EUR	35,884	3.03%	

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**8. Derivatives (cont'd)**

	June 30, 2024		
	Derivative assets (liabilities)	Gain on valuation of derivatives	Accumulated other comprehensive income(loss) <sup>1</sup>
Foreign currency forward	\$ (5)	\$ -	\$ (5)
Foreign currency forward	(334)	-	(334)
Foreign currency swap	(2,454)	-	81
Foreign currency swap	(307)	-	(944)
Interest rate swap	(208)	214	-
	<u>\$ (3,308)</u>	<u>\$ 214</u>	<u>\$ (1,202)</u>

<sup>1</sup> 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) <sup>1</sup>
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>

<sup>1</sup> 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).

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**9. Property, Plant and Equipment**

Changes in property, plant and equipment for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	Six-month period ended June 30, 2024							Total
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	
Beginning	\$ 135,613	\$ 235,818	\$ 331,608	\$ 1,995	\$ 34,457	\$ 112,149	\$ 124,760	\$ 976,400
Acquisition / capital expenditure	-	2,939	35,341	271	2,258	59,470	13,792	114,071
Disposal	-	(427)	(1,092)	(93)	(90)	-	-	(1,702)
Depreciation	-	(5,187)	(40,786)	(322)	(6,039)	-	(17,677)	(70,011)
Others & transfer <sup>1</sup>	(7,084)	(804)	(1,598)	55	(535)	(7,630)	(5,411)	(23,007)
Ending	\$ 128,529	\$ 232,339	\$ 323,473	\$ 1,906	\$ 30,051	\$ 163,989	\$ 115,464	\$ 995,751
Acquisition cost	\$ 128,579	\$ 362,144	\$ 802,335	\$ 6,819	\$ 91,650	\$ 164,082	\$ 205,561	\$ 1,761,170
Accumulated depreciation	-	(127,437)	(477,867)	(4,913)	(61,584)	-	(90,097)	(761,898)
Government grants	-	(1,107)	(478)	-	(14)	(93)	-	(1,692)
Accumulated impairment losses	(50)	(1,261)	(517)	-	(1)	-	-	(1,829)

<sup>1</sup> 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.

	Six-month period ended June 30, 2023							Total
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	
Beginning	\$ 131,550	\$ 220,153	\$ 304,730	\$ 1,739	\$ 33,846	\$ 76,273	\$ 108,617	\$ 876,908
Acquisition / capital expenditure	-	1,264	8,713	715	2,123	36,459	29,013	78,287
Disposal	(21)	(24)	(815)	(15)	(979)	(4)	-	(1,858)
Depreciation	-	(5,575)	(38,152)	(664)	(5,793)	-	(17,736)	(67,920)
Others & transfer <sup>1</sup>	(2,897)	16,803	39,259	236	3,048	(55,647)	2,634	3,436
Ending	\$ 128,632	\$ 232,621	\$ 313,735	\$ 2,011	\$ 32,245	\$ 57,081	\$ 122,528	\$ 888,853
Acquisition cost	\$ 128,632	\$ 346,892	\$ 754,011	\$ 6,651	\$ 86,254	\$ 57,081	\$ 189,669	\$ 1,569,190
Accumulated depreciation	-	(111,851)	(439,037)	(4,640)	(53,983)	-	(67,141)	(676,652)
Government grants	-	(1,151)	(720)	-	(25)	-	-	(1,896)
Accumulated impairment losses	-	(1,269)	(519)	-	(1)	-	-	(1,789)

<sup>1</sup> 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 June 30, 2024, the carrying amount of land would be \$116,380 thousand if measured based on a cost model.

As of June 30, 2024, certain property, plant and equipment included above are pledged as collateral in relation to the borrowings (see Notes 15 and 34).

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

Classification of depreciation expenses for each of the six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Cost of sales	\$ 56,599	\$ 54,514
Selling and administrative expenses		
Depreciation expenses	11,117	11,283
Research and development expenses	2,295	2,123
	<u>\$ 70,011</u>	<u>\$ 67,920</u>

**10. Intangible Assets**

Changes in intangible assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

		<b>Six-month period ended June 30, 2024</b>				
	<b>Goodwill</b>	<b>Industrial rights</b>	<b>Development costs</b>	<b>Construction in progress</b>	<b>Others</b>	<b>Total</b>
Beginning	\$ 2,658,320	\$ 985,278	\$ 125,261	\$ 42,624	\$ 54,396	\$ 3,865,879
Internal development	-	-	9,945	-	-	9,945
Acquisition	-	18	-	24,039	867	24,924
Amortization	-	(56)	(17,184)	-	(8,105)	(25,345)
Others & transfer	(41,878)	(11,133)	(1,824)	(11,600)	9,924	(56,511)
Ending	<u>\$ 2,616,442</u>	<u>\$ 974,107</u>	<u>\$ 116,198</u>	<u>\$ 55,063</u>	<u>\$ 57,082</u>	<u>\$ 3,818,892</u>
Acquisition cost	\$ 2,616,442	\$ 1,117,627	\$ 440,962	\$ 55,063	\$ 176,495	\$ 4,406,589
Accumulated amortization and impairment losses	-	(143,520)	(324,764)	-	(119,413)	(587,697)

  

		<b>Six-month period ended June 30, 2023</b>			
	<b>Goodwill</b>	<b>Industrial rights</b>	<b>Development costs</b>	<b>Others</b>	<b>Total</b>
Beginning	\$ 2,616,809	\$ 977,687	\$ 136,534	\$ 63,460	\$ 3,794,490
Internal development	-	-	13,014	-	13,014
Acquisition	-	49	-	8,715	8,764
Amortization	-	(53)	(17,676)	(7,320)	(25,049)
Others & transfer	22,221	6,285	(170)	2,007	30,343
Ending	<u>\$ 2,639,030</u>	<u>\$ 983,968</u>	<u>\$ 131,702</u>	<u>\$ 66,862</u>	<u>\$ 3,821,562</u>
Acquisition cost	\$ 2,639,030	\$ 1,123,337	\$ 421,147	\$ 190,787	\$ 4,374,301
Accumulated amortization and impairment losses	-	(139,369)	(289,445)	(123,925)	(552,739)

As of June 30, 2024, the carrying amount of goodwill and other intangible assets with indefinite useful lives included in others above is \$3,593,143 thousand (December 31, 2023: \$3,646,367 thousand).

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**10. Intangible Assets (cont'd)**

Certain intangible assets included above are pledged as collateral as of June 30, 2024 in connection with the borrowings (see Notes 15 and 34).

Details of development costs as of June 30, 2024 are as follows (in thousands of USD):

		<b>Balance</b>	<b>Remaining amortization year (months)</b>
Compact product development (relating to new models and emission regulations)	Development in progress	\$ 48,744	
	Being amortized	47,981	32
Portable Power product development (relating to new models and emission regulations)	Development in progress	219	
	Being amortized	7,020	33
Forklift product development (relating to new models and emission regulations)	Development in progress	5,918	
	Being amortized	6,316	36
		<u>\$ 116,198</u>	

Impairment losses on intangible assets for each of the six-month periods ended June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<b>Individual asset</b>	<b>Book value</b>	<b>Accumulated impairment losses Six-month period ended June 30, 2024</b>	<b>Year ended December 31, 2023</b>
Development costs	Medium Frame GenV and others	\$ -	\$ 4,139	\$ 4,139
	eMEX Shells E32e, E19e and others	245	2,211	2,211
Industrial property rights	RYAN trademark right	-	4,943	4,943
Other Intangible assets	Membership	851	176	176

Classification of amortization expenses for each of the six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Cost of sales	\$ 19,045	\$ 19,660
Selling and administrative expenses	6,300	5,389
	<u>\$ 25,345</u>	<u>\$ 25,049</u>

Expenditures on research and development recognized as expenses amount to \$78,162 thousand for the six-month period ended June 30, 2024 (June 30, 2023: \$71,965 thousand).



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**11. Investment Properties**

Changes in investment properties for each of the six-month periods ended June 30, 2024 and 2023 are as follows(in thousands of USD):

<b>Six-month period ended June 30, 2024</b>			
	<b>Land</b>	<b>Building</b>	<b>Total</b>
Beginning balance	\$ 71,486	\$ 15,595	\$ 87,081
Depreciation	-	(536)	(536)
Others	(5,135)	(1,106)	(6,241)
Ending balance	<u>\$ 66,351</u>	<u>\$ 13,953</u>	<u>\$ 80,304</u>
Acquisition cost	\$ 66,351	\$ 18,725	\$ 85,076
Accumulated depreciation and impairment loss	-	(4,772)	(4,772)

  

<b>Six-month period ended June 30, 2023</b>			
	<b>Land</b>	<b>Building</b>	<b>Total</b>
Beginning balance	\$ 72,734	\$ 19,844	\$ 92,578
Acquisition / capital expenditure	-	852	852
Transfer <sup>1</sup>	-	(3,733)	(3,733)
Depreciation	-	(535)	(535)
Others	(2,522)	(561)	(3,083)
Ending balance	<u>\$ 70,212</u>	<u>\$ 15,867</u>	<u>\$ 86,079</u>
Acquisition cost	\$ 70,212	\$ 19,815	\$ 90,027
Accumulated depreciation and impairment loss	-	(3,948)	(3,948)

<sup>1</sup> During the six-month period ended June 30, 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 six-month period ended June 30, 2024 amounts to \$1,740 thousand (June 30, 2023: \$ 2,189 thousand).

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**12. Investment in Associates**

Investments in associates that are accounted for using the equity method as of June 30, 2024 are as follows:

<b>Associates</b>	<b>Principal business activity</b>	<b>Location</b>	<b>Fiscal year end</b>	<b>Percentages of ownership (%)</b>
Ainstein AI, Inc. <sup>1</sup>	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

<sup>1</sup> 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 June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<b>Percentages of ownership (%)</b>	<b>June 30, 2024</b>		
		<b>Acquisition cost</b>	<b>Book value</b>	<b>Net asset value</b>
Ainstein AI, Inc.	9.09	\$ 2,000	\$ 1,912	\$ 107
Presto Lite Asia Co., Ltd.	32.31	2,467	2,623	2,623
		<u>\$ 4,467</u>	<u>\$ 4,535</u>	<u>\$ 2,730</u>

  

	<b>Percentages of ownership (%)</b>	<b>December 31, 2023</b>		
		<b>Acquisition cost</b>	<b>Book value</b>	<b>Net asset value</b>
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>

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**12. Investment in Associates (cont'd)**

Changes in investment in associates for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	Six-month period ended June 30, 2024			
	Beginning	Gain on equity method	Others	Ending
Ainstein AI, Inc.	\$ 1,892	\$ 20	\$ -	\$ 1,912
Presto Lite Asia Co., Ltd.	2,822	3	(202)	2,623
	<u>\$ 4,714</u>	<u>\$ 23</u>	<u>\$ (202)</u>	<u>\$ 4,535</u>

  

	Six-month period ended June 30, 2023			
	Beginning	Gain(loss) on equity method	Others	Ending
Ainstein AI, Inc.	\$ 1,859	\$ (91)	\$ -	\$ 1,768
Presto Lite Asia Co., Ltd.	2,478	71	(87)	2,462
	<u>\$ 4,337</u>	<u>\$ (20)</u>	<u>\$ (87)</u>	<u>\$ 4,230</u>

Summarized financial information of associates as of June 30, 2024 and for the six-month period ended June 30, 2024 is as follows (in thousands of USD):

	June 30, 2024		Six-month period ended June 30, 2024		
	Assets	Liabilities	Sales	Gain for the period	Total comprehensive gain
Ainstein AI, Inc.	\$ 6,002	\$ 4,828	\$ 3,265	\$ 346	\$ 346
Presto Lite Asia Co., Ltd.	11,258	3,140	5,504	13	13

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**13. Lease**

Changes in right-of-use assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

<b>Six-month period ended June 30, 2024</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Vehicles</b>	<b>Tools</b>	<b>Equipment</b>	<b>Total</b>
Beginning balance	\$ 3,736	\$ 104,361	\$ 7,211	\$ 6,770	\$ 2	\$ 2,680	\$ 124,760
Acquisition	-	8,463	2,395	2,685	-	249	13,792
Depreciation	(56)	(12,970)	(1,410)	(2,497)	(1)	(743)	(17,677)
Others	(100)	(4,868)	(15)	(343)	-	(85)	(5,411)
Ending balance	<u>\$ 3,580</u>	<u>\$ 94,986</u>	<u>\$ 8,181</u>	<u>\$ 6,615</u>	<u>\$ 1</u>	<u>\$ 2,101</u>	<u>\$ 115,464</u>
Acquisition cost	\$ 4,167	\$ 165,965	\$ 13,692	\$ 16,498	\$ 14	\$ 5,225	\$ 205,561
Accumulated depreciation	(587)	(70,979)	(5,511)	(9,883)	(13)	(3,124)	(90,097)

  

<b>Six-month period ended June 30, 2023</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Vehicles</b>	<b>Tools</b>	<b>Equipment</b>	<b>Total</b>
Beginning balance	\$ 4,288	\$ 90,321	\$ 5,776	\$ 6,151	\$ 6	\$ 2,075	\$ 108,617
Acquisition	-	23,117	1,596	2,917	1	1,382	29,013
Depreciation	(410)	(13,376)	(1,115)	(2,047)	(3)	(785)	(17,736)
Transfer <sup>1</sup>	-	3,733	-	-	-	-	3,733
Others	(140)	(1,284)	(65)	(78)	-	468	(1,099)
Ending balance	<u>\$ 3,738</u>	<u>\$ 102,511</u>	<u>\$ 6,192</u>	<u>\$ 6,943</u>	<u>\$ 4</u>	<u>\$ 3,140</u>	<u>\$ 122,528</u>
Acquisition cost	\$ 4,262	\$ 153,583	\$ 9,585	\$ 15,062	\$ 15	\$ 7,162	\$ 189,669
Accumulated depreciation	(524)	(51,072)	(3,393)	(8,119)	(11)	(4,022)	(67,141)

<sup>1</sup> During the six-month period ended June 30, 2023, the investment properties were replaced with lease assets as the lease area changed due to the modification of the contract.

Changes in lease liabilities for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Beginning balance	\$ 129,036	\$ 115,551
Lease payments	(19,833)	(19,910)
Acquisition of lease assets	12,491	29,013
Interest expenses	3,026	2,891
Termination of lease agreement	(5,625)	(479)
Foreign exchange differences	506	(1,614)
Ending balance	<u>\$ 119,601</u>	<u>\$ 125,452</u>

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**13. Lease (cont'd)**

Classification of depreciation expenses of lease assets for each of the six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Cost of sales	\$ 8,875	\$ 8,964
Selling and administrative expenses	8,540	8,494
Research and development expenses	262	278
	<u>\$ 17,677</u>	<u>\$ 17,736</u>

Maturity profile of lease liability as of June 30, 2024 is as follows (in thousands of USD):

	<b>Contractual nominal cash flow</b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>Less than 2 years</b>	<b>Less than 5 years</b>	<b>More than 5 years</b>
Lease liabilities	\$ 134,040	\$ 36,609	\$ 27,770	\$ 51,593	\$ 18,068

Expenditures on short-term leases or leases of low-value assets which are not included in lease assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Cost of sales	\$ 116	\$ 246
Selling and administrative expenses	2,973	2,324
Research and development expenses, etc.	10	1
	<u>\$ 3,099</u>	<u>\$ 2,571</u>

Total cash outflows for leases for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Lease liabilities	\$ 19,833	\$ 19,910
Lease payments on short-term leases and leases of low-value assets	3,099	2,571
	<u>\$ 22,932</u>	<u>\$ 22,481</u>

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**14. Trade and Other Payables**

Trade and other payables as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Current:		
Trade payables	\$ 982,994	\$ 895,350
Other payables	81,706	97,938
Accrued expenses	508,619	394,300
	<u>\$ 1,573,319</u>	<u>\$ 1,387,588</u>
Non-current:		
Other payables	\$ 82	\$ 21
Accrued expenses	5,585	4,491
Leasehold deposits received	4,196	4,532
	<u>\$ 9,863</u>	<u>\$ 9,044</u>

**15. Bonds and Borrowings**

Bonds as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

<u>Category</u>	<u>Annual interest rate</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Private bonds	4.42%	\$ 50,000	\$ -
Subtotal		50,000	-
Less: discount on issuance of bonds		(441)	-
Total		<u>\$ 49,559</u>	<u>\$ -</u>

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**15. Bonds and Borrowings(cont'd)**

Borrowings as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

1) Short-term Borrowings

<b>Lender</b>	<b>Annual interest rate</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
SB China	3.30%	\$ 20,562	\$ 21,038
CSOB <sup>1</sup>	EURIBOR+1.5%	16,902	17,470
SB China	3.30%	10,281	9,946
Yes/Sundaram <sup>2</sup>	-	2,736	-
Hana Bank	6M MOR+1.76%	21,595	-
Kookmin Bank	CD91D+1.55%	14,397	-
		<b>\$ 86,473</b>	<b>\$ 48,454</b>

<sup>1</sup> Collateral is provided in relation to this loan. (see Note 34).

<sup>2</sup> The Group provides guarantees to financial institutions in relation to the Dealer's default under the Dealer financing agreement. Accordingly, the borrowings are recognized as the requirements for writing off trade receivables are not met.

2) Long-term Borrowings

<b>Lender</b>	<b>Annual interest rate</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Syndicated lenders <sup>1</sup>	3M SOFR+2.25%	\$ 730,875	\$ 735,125
CSOB <sup>1</sup>	EURIBOR+1.5%	114,088	71,334
Mizuho Bank	CD91D+1.5%	28,794	31,022
NongHyup Bank <sup>1</sup>	3M MOR+1.88%	28,794	31,022
Shinhan Bank Japan <sup>1</sup>	2.88%	11,862	13,495
Shinhan Bank <sup>1</sup>	CD91D+1.80%	35,992	-
Shinhan Bank Japan <sup>1</sup>	Japan ST Prime Lending Rate-0.575%	2,489	2,831
Subtotal		952,894	884,829
Less: present value discount		(11,533)	(12,642)
		941,361	872,187
Less: current portion		(49,156)	(21,995)
Total		<b>\$ 892,205</b>	<b>\$ 850,192</b>

<sup>1</sup> Collateral is provided in relation to this loan (see Note 34).

**Doosan Bobcat Inc. and its subsidiaries**  
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**16. Sales and Leaseback Liabilities**

Sales and leaseback liabilities as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

<b>Lender</b>	<b>Annual interest rate</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
HSBC	7.00%	\$ 28,245	\$ 28,801
Investec	7.00%	3,587	4,085
CMF	7.00%	1,491	1,977
Lombard	7.00%	14,124	16,556
Subtotal		47,447	51,419
Less: current portion		(12,503)	(13,393)
Total		<u>\$ 34,944</u>	<u>\$ 38,026</u>

**17. Net Defined Benefit Liabilities**

Details of net defined benefit liabilities recognized in the statements of financial position as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Present value of defined benefit obligations	\$ 461,708	\$ 452,775
Fair value of plan assets	(352,498)	(349,689)
Effects of asset ceiling	1,708	1,708
Net defined benefit liabilities	120,728	112,044
Net defined benefit assets	9,810	7,250

Components of retirement benefits presented on the statements of profit or loss for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Current service cost	\$ 3,618	\$ 7,217	\$ 3,794	\$ 7,823
Past service cost and gains on settlements	-	-	(52,041)	(52,041)
Net interest cost	1,292	2,584	2,043	4,294
	<u>\$ 4,910</u>	<u>\$ 9,801</u>	<u>\$ (46,204)</u>	<u>\$ (39,924)</u>



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**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 six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

Six-month period ended June 30, 2024							
	Beginning	Increase	Decrease	Others	Ending	Current	Non-current
Warranty	\$ 151,408	\$ 34,194	\$ (41,098)	\$ (1,957)	\$ 142,547	\$ 80,299	\$ 62,248
Product liability	23,661	2,671	(1,211)	-	25,121	5,030	20,091
Litigation	1,457	42	(159)	(27)	1,313	1,313	-
Restructuring	768	-	-	(24)	744	744	-
Others	912	1,417	(348)	(24)	1,957	256	1,701
	<u>\$ 178,206</u>	<u>\$ 38,324</u>	<u>\$ (42,816)</u>	<u>\$ (2,032)</u>	<u>\$ 171,682</u>	<u>\$ 87,642</u>	<u>\$ 84,040</u>

  

Six-month period ended June 30, 2023							
	Beginning	Increase	Decrease	Others	Ending	Current	Non-current
Warranty	\$ 152,704	\$ 34,246	\$ (34,161)	\$ 210	\$ 152,999	\$ 83,768	\$ 69,231
Product liability	25,445	2,551	(3,070)	-	24,926	3,699	21,227
Litigation	1,114	346	(123)	(93)	1,244	1,244	-
Restructuring	833	-	-	15	848	848	-
Others	1,571	895	(1,352)	183	1,297	874	423
	<u>\$ 181,667</u>	<u>\$ 38,038</u>	<u>\$ (38,706)</u>	<u>\$ 315</u>	<u>\$ 181,314</u>	<u>\$ 90,433</u>	<u>\$ 90,881</u>

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**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 June 30, 2024, 100,249,166 ordinary shares are issued out of which 156,957 shares are ordinary shares with restricted voting rights under the Korean Commercial Law.

Changes on capital stock and capital surplus for each of the six-month periods ended June 30, 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 June 30, 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 June 30, 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 <sup>nd</sup> anniversary year from grant
Payment method	Paid at the beginning of 3 <sup>rd</sup> anniversary year from grant

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**20. Share-based Compensation (cont'd)**

	<b>2nd wave</b>
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 <sup>nd</sup> anniversary year from grant
Payment method	Paid at the beginning of 3 <sup>rd</sup> anniversary year from grant

	<b>3rd wave</b>
Grant type	Registered common stock
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	April 29, 2024
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 <sup>nd</sup> anniversary year from grant
Payment method	Paid at the beginning of 3 <sup>rd</sup> anniversary year from grant

Equity-settled share-based compensation as of June 30, 2024 and December 31, 2023 is as follows (in shares):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Beginning	96,490	33,117
Granted	60,467	67,107
Canceled	-	(3,734)
Ending	<u>156,957</u>	<u>96,490</u>

Cash-settled share-based compensation as of June 30, 2024 and December 31, 2023 is as follows (in shares):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Beginning	81,268	29,044
Granted <sup>1</sup>	55,585	60,601
Canceled	(2,928)	(8,377)
Ending	<u>133,925</u>	<u>81,268</u>

<sup>1</sup> 2,754 shares of cash-settled payment linked to the value of equity shares of ultimate holding company are included.

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**21. Other Components of Equity**

Other components of equity as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Capital adjustment from equity transactions among subsidiaries	\$ 7,700	\$ 7,700
Ordinary shares issued in kind <sup>1</sup>	(186,108)	(186,108)
Treasury shares <sup>2</sup>	(5,437)	(3,012)
Share-based compensation expenses <sup>2</sup>	1,972	1,214
	<u>\$ (181,873)</u>	<u>\$ (180,206)</u>

<sup>1</sup> The Group received 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.

<sup>2</sup> As of June 30, 2024, 156,957 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 six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

<u>Six-month period ended June 30, 2024</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 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)	(83,439)	(1,142)	1	-	(84,580)
Ending balance	<u>\$ (345,781)</u>	<u>\$ (929)</u>	<u>\$ 14,812</u>	<u>\$ 109</u>	<u>\$ (331,789)</u>

  

<u>Six-month period ended June 30, 2023</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 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)	34,637	(92)	-	-	34,545
Ending balance	<u>\$ (295,902)</u>	<u>\$ 202</u>	<u>\$ 11,087</u>	<u>\$ 542</u>	<u>\$ (284,071)</u>

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**23. Retained Earnings**

Details of retained earnings as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Legal reserves	\$ 22,566	\$ 22,566
Retained earnings before appropriation	3,718,246	3,500,538
	<u>\$ 3,740,812</u>	<u>\$ 3,523,104</u>

**24. Segment Information**

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

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

Revenue by main products for each of the six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<u>Sales</u>	
	<u>Six-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2023</u>
Compact	\$ 2,734,082	\$ 3,035,744
Portable Power	169,580	202,198
Material Handling	528,144	682,792
	<u>\$ 3,431,806</u>	<u>\$ 3,920,734</u>

Revenue by region for each of the six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<u>Sales</u>	
	<u>Six-month period ended June 30, 2024</u>	<u>Six-month period ended June 30, 2023</u>
North America	\$ 2,563,923	\$ 2,933,094
Europe, Middle East & Africa	534,404	625,132
Asia, Latin America & Oceania	333,479	362,508
	<u>\$ 3,431,806</u>	<u>\$ 3,920,734</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 six-month periods ended June 30, 2024 and 2023.

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**24. Segment Information (cont'd)**

As of June 30, 2024 and December 31, 2023, the Group's non-current assets by region are as follows (in thousands of USD):

	<b>Non-current assets<sup>1</sup></b>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
North America	\$ 1,322,273	\$ 1,275,807
Europe, Middle East and Africa	628,459	651,141
Asia, Latin America and Oceania	327,773	344,092
	<u>\$ 2,278,505</u>	<u>\$ 2,271,040</u>

<sup>1</sup> 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 six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
<b>Revenue from contracts with customers</b>				
By type of goods or services				
- Manufactured products/merchandise	\$ 1,604,134	\$ 3,380,862	\$ 2,008,368	\$ 3,869,535
- Others	6,857	13,828	10,074	16,498
	<u>1,610,991</u>	<u>3,394,690</u>	<u>2,018,442</u>	<u>3,886,033</u>
By timing of recognition				
- Products transferred at a point in time	1,604,134	3,380,862	2,008,368	3,869,535
- Service rendered over time	6,857	13,828	10,074	16,498
	<u>1,610,991</u>	<u>3,394,690</u>	<u>2,018,442</u>	<u>3,886,033</u>
<b>Revenue from other sources</b>				
- Rental income, etc.	18,279	37,116	16,785	34,701
	<u>\$ 1,629,270</u>	<u>\$ 3,431,806</u>	<u>\$ 2,035,227</u>	<u>\$ 3,920,734</u>

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**26. Contract Balances**

Details of receivables, contract assets and contract liabilities from contracts with customers as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Trade and other receivables	\$ 412,186	\$ 421,578
Contract liabilities <sup>1</sup>	581,536	462,611

<sup>1</sup> 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, \$ 13,298 thousand were recognized as revenue during the six-month period ended June 30, 2024 (June 30, 2023: \$ 15,522 thousand).

**27. Expenses by Nature**

Expenses classified by nature for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Three months</u>	<u>Six months</u>	<u>Three months</u>	<u>Six months</u>
Purchases of inventories (Raw materials & merchandises)	\$ 1,022,815	\$ 2,071,934	\$ 1,110,905	\$ 2,211,524
Changes in inventories	(129,574)	(194,082)	5,059	(72,289)
Employee benefits	187,418	377,690	133,433	315,967
Depreciation and amortization	47,597	95,892	48,046	93,504
Other expenses	327,337	661,320	381,845	726,279
	<u>\$ 1,455,593</u>	<u>\$ 3,012,754</u>	<u>\$ 1,679,288</u>	<u>\$ 3,274,985</u>

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**28. Selling and Administrative Expenses**

Selling and administrative expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Salaries	\$ 61,404	\$ 122,794	\$ 54,704	\$ 107,350
Retirement benefits	3,541	7,157	(48,208)	(44,054)
Employee benefits	10,872	21,810	9,141	18,967
Rent	3,387	6,244	3,152	5,481
Depreciation	5,684	11,117	5,752	11,284
Depreciation of investment properties	264	536	266	535
Amortization	3,864	6,300	2,744	5,389
Research and development	40,476	78,162	37,159	71,965
Advertising	25,342	43,234	18,736	36,605
Commission expenses	33,449	62,400	23,110	44,217
Bad debt expenses	683	1,371	502	1,492
Insurance expenses	3,068	7,032	4,351	9,449
Others <sup>1</sup>	26,872	53,897	28,793	54,422
	<u>\$ 218,906</u>	<u>\$ 422,054</u>	<u>\$ 140,202</u>	<u>\$ 323,102</u>

<sup>1</sup> Include share-based compensation expenses.



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**29. Finance Income and Expenses**

Finance income and expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Finance income:				
Interest income	\$ 13,537	\$ 26,730	\$ 4,284	\$ 6,732
Gain on foreign currency transactions	14,176	25,911	17,086	35,356
Gain on foreign currency translation	9,094	23,244	(2,706)	8,514
Gain on derivative transactions	88	190	-	-
Gain on valuation of derivative	(115)	215	423	442
	<u>\$ 36,780</u>	<u>\$ 76,290</u>	<u>\$ 19,087</u>	<u>\$ 51,044</u>
Finance expenses:				
Interest expenses	(20,038)	(39,894)	(21,697)	(42,651)
Loss on foreign currency transactions	(11,553)	(16,666)	(5,080)	(20,397)
Loss on foreign currency translation	(6,027)	(27,374)	(9,219)	(30,074)
Loss on derivative transactions	-	-	(59)	(59)
Loss on derivative valuation	(8)	(8)	-	-
Loss on financial guarantee	(36)	(61)	(20)	(36)
Others	(628)	(1,219)	(525)	(1,039)
	<u>\$ (38,290)</u>	<u>\$ (85,222)</u>	<u>\$ (36,600)</u>	<u>\$ (94,256)</u>
	<u>\$ (1,510)</u>	<u>\$ (8,932)</u>	<u>\$ (17,513)</u>	<u>\$ (43,212)</u>

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**30. Other Non-operating Income and Expenses**

Other non-operating income and expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Other non-operating income:				
Gain on disposal of property, plant and equipment	\$ 68	\$ 113	\$ (2)	\$ 7
Gain on disposal of non-current asset held for sale	-	-	11	163
Others	250	750	465	741
	<u>\$ 318</u>	<u>\$ 863</u>	<u>\$ 474</u>	<u>\$ 911</u>
Other non-operating expenses:				
Loss on disposal of trade receivables	(2,019)	(3,111)	(2,255)	(3,591)
Other bad debt expenses	(113)	(122)	(289)	(293)
Loss on disposal of property, plant and equipment	(40)	(44)	(13)	(25)
Donations	(1,028)	(6,949)	(1,503)	(8,884)
Loss on disposal of investment in subsidiaries	-	-	-	(972)
Loss on disposal of non-current asset held for sale	-	-	(91)	(251)
Others	24	(463)	(129)	(296)
	<u>\$ (3,176)</u>	<u>\$ (10,689)</u>	<u>\$ (4,280)</u>	<u>\$ (14,312)</u>
Net other non-operating expense	<u>\$ (2,858)</u>	<u>\$ (9,826)</u>	<u>\$ (3,806)</u>	<u>\$ (13,401)</u>

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**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**  
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**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 six-month period ended June 30, 2024 and 2023 are computed as follows (in USD and in shares):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Profit for the period attributable to owners of the parent company	\$ 114,466,901	\$ 277,665,450	\$ 235,394,724	\$ 398,066,609
Weighted average number of ordinary shares outstanding	100,120,251	100,136,463	100,152,676	100,179,286
Basic earnings per share	<u>\$ 1.14</u>	<u>\$ 2.77</u>	<u>\$ 2.35</u>	<u>\$ 3.97</u>

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

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Number of ordinary shares outstanding	100,152,676	100,152,676	100,216,049	100,216,049
Treasury shares	(32,425)	(16,213)	(63,373)	(36,763)
Weighted average number of ordinary shares outstanding	<u>100,120,251</u>	<u>100,136,463</u>	<u>100,152,676</u>	<u>100,179,286</u>

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**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 each of the six-month period ended June 30, 2024 and 2023 are computed as follows (in USD and in shares):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Profit for the period attributable to owners of the parent company	\$ 114,466,901	\$ 277,665,450	\$ 235,394,724	\$ 398,066,609
Adjusted weighted average number of ordinary shares outstanding	100,194,632	100,204,909	100,172,418	100,184,594
Diluted earnings per share	<u>\$ 1.14</u>	<u>\$ 2.77</u>	<u>\$ 2.35</u>	<u>\$ 3.97</u>

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

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Three months</b>	<b>Six months</b>	<b>Three months</b>	<b>Six months</b>
Weighted average number of ordinary shares outstanding	100,120,251	100,136,463	100,152,676	100,179,286
Restricted Stock Unit	74,381	68,446	19,742	5,308
Adjusted weighted average number of ordinary shares outstanding	<u>100,194,632</u>	<u>100,204,909</u>	<u>100,172,418</u>	<u>100,184,594</u>

Potential ordinary shares for as of are as follows (in shares):

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Restricted Stock Unit	156,957	96,490

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**33. Commitments and Contingencies**

**33.1 Litigations**

As of June 30, 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 June 30, 2024, guarantees provided by the Group for third parties are as follows (in thousands of USD):

<b>Provided for</b>	<b>Provided to</b>	<b>Amount guaranteed</b>
Doosan Bobcat North America Inc. and others	End customers, etc.	\$ 101,338
Doosan Bobcat EMEA s.r.o. and others	End customers, etc.	15
Doosan Bobcat Korea Co., Ltd. and others	End customers, etc.	36,910
		<u>\$ 138,263</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.

<b>Provided by</b>	<b>Type</b>	<b>Amount guaranteed</b>
Machinery Financial Cooperative	Contracts and defects <sup>1</sup>	\$ 1,642
Seoul Guarantee Insurance Company	Performance guarantee	788
Woori Bank	Financial guarantee	51,000
	Foreign currency performance guarantee	1,244
Shinhan Bank	Financial guarantee	11,862
	Foreign currency performance guarantee	622
CSOB	Payment guarantees	5,300
Other guarantees	Other guarantees	1,858
		<u>\$ 74,316</u>

<sup>1</sup> The Group's share in Machinery Financial Cooperative is provided as collateral as of June 30, 2024.

# **Doosan Bobcat Inc. and its subsidiaries**

## **Notes to the interim consolidated financial statements**

### **June 30, 2024 and 2023 (Unaudited)**

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#### **33.3 Key Commitments**

##### **33.3.1 Credit agreement**

As of June 30, 2024, the Group has contracts with financial institutions for limit loans of \$ 798,386 thousand, including general loans and overdrafts, comprehensive loans of \$ 59,599 thousand, and loans secured by accounts receivables of \$ 35,272 thousand.

##### **33.3.2 Supply Chain Financing commitments**

The Group entered into a supply chain financing contract and \$ 77,999 thousand is recognized as trade payable.

##### **33.3.3 Other commitments**

As of June 30, 2024, the Group has signed a contract with Doosan New Technology Investment Association No. 1 for a total investment commitment of \$ 14,397 thousand, and the remaining investment commitment amount as of June 30, 2024 is \$ 13,245 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. Doosan Bobcat Korea Co., Ltd., a subsidiary of the Group, has agreed to jointly conduct a business of leasing real estate and then sub-leasing it, and has the right to rental income equivalent to the portion excluding the portion for personal use within the rental ratio of 9.7% and bears the expenses. In addition, it jointly bears the rental obligation as a responsible lessor within the ratio. The Group accounts for as joint operations where the related rights to the assets and obligations to the liabilities are held.

Doosan Bobcat Korea Co., Ltd. was merged into Doosan Industrial Vehicle Co., Ltd. on January 1, 2024, and Doosan Industrial Vehicle Co., Ltd. changed its name to Doosan Bobcat Korea Co., Ltd. on the same date.

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.

In order to strengthen its competitiveness by securing hydraulic technology, a core component of industrial equipment, the Group decided to acquire 493,948 shares (100% stake) of Mottrol Co., Ltd. for \$ 177,080 thousand based on the resolution of the Board of Directors on June 12, 2024, and the acquisition date is scheduled for September 30, 2024. In relation to this, \$ 17,708 thousand, which is 10% of the contract deposit, has been recorded as an advanced payment (other current assets) as of June 30, 2024.

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**34. Assets Provided as Collaterals**

Details of the assets provided as collaterals as of June 30, 2024 are as follows(in thousands of USD):

	<b>Doosan Bobcat North America Inc.</b>	<b>Doosan Bobcat EMEA s.r.o</b>	<b>Doosan Bobcat Korea Co., Ltd. etc.</b>
Agreement details	Borrowings and credit limit agreements	Borrowings and credit limit agreements	Borrowings and credit limit agreements
Agreement limit amount	\$ 1,490,000	\$ 214,090	\$ 93,533
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, etc.	Property, plant and equipment, etc.
Collateral value	\$ 2,829,381	\$ 391,965	\$ 112,536
Nominal amount of borrowing	\$ 730,875	\$ 130,989	\$ 79,136



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**35. Related Party Transactions**

The Group's related party disclosures for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<b>Relationship</b>	<b>Name</b>
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, etc.

Significant transactions with related parties for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

		<b>Six-month period ended June 30, 2024</b>				
<b>Relationship</b>	<b>Related party</b>	<b>Sales</b>	<b>Other income</b>	<b>Purchase</b>	<b>Other expense</b>	<b>Purchases of investment properties &amp; fixed asset</b>
Ultimate parent	Doosan Corp.	\$ 2,151	\$ -	\$ -	21,980	\$ 828
Immediate parent	Doosan Enerbility Co., Ltd.	170	-	-	-	-
Associate	Presto Lite Asia Co., Ltd	24	13	3,542	-	-
Others	Doosan Digital Innovation America, LLC	3	-	-	25,920	1,193
	Oricom Inc.	-	-	-	2,130	-
	Doosan Business Research Institute	-	-	-	954	-
	Doosan Cuvex Co., Ltd.	-	-	-	2,147	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	320	-
	Others	514	-	-	9,822	41
	Subtotal	517	-	-	41,293	1,234
	Total	\$ 2,862	\$ 13	\$ 3,542	\$ 63,273	\$ 2,062

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**35. Related Party Transactions (cont'd)**

Relationship	Related party	Six-month period ended June 30, 2023					Purchases of investment properties & fixed asset
		Sales	Other income	Purchase	Other expense		
Ultimate parent	Doosan Corp.	\$ 2,176	\$ -	\$ -	\$ 11,459	\$ -	-
Immediate parent	Doosan Enerbility Co., Ltd.	206	-	-	-	-	-
Associate	Presto Lite Asia Co., Ltd	-	15	3,889	-	-	-
Others	Doosan Digital Innovation America, LLC	-	3	-	16,192	-	-
	Oricom Inc.	-	-	-	798	-	-
	Doosan Business Research Institute	-	-	-	863	-	-
	Doosan Cuvex Co., Ltd.	-	-	-	2,589	-	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	158	-	-
	Others	501	-	-	5,635	56	56
	Subtotal	501	3	-	26,235	56	56
	Total	\$ 2,883	\$ 18	\$ 3,889	\$ 37,694	\$ 56	56

Related significant balances as of June 30, 2024 and December 31, 2023 are as follows (in thousands of USD):

Relationship	Related party	June 30, 2024				
		Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Ultimate parent	Doosan Corp.	\$ 392	\$ 691	\$ -	\$ 15,896	\$ -
Immediate parent	Doosan Enerbility Co., Ltd.	-	-	-	-	-
Associate	Presto Lite Asia Co., Ltd	-	7	469	-	-
Others	Doosan Digital Innovation America LLC	-	74	-	4,801	1,527
	Oricom Inc	-	1,989	-	916	-
	Doosan Business Research Institute	-	-	-	91	-
	Doosan Cuvex Co., Ltd.	-	773	-	167	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	-	12,628
	Others	90	3	-	2,540	-
	Subtotal	90	2,839	-	8,515	14,155
	Total	\$ 482	\$ 3,537	\$ 469	\$ 24,411	\$ 14,155

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**35. Related Party Transactions (cont'd)**

		December 31, 2023				
Relationship	Related party	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 six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

		Six-month period ended June 30, 2024		
Relationship	Related party	Dividend paid	Repayment of lease liabilities	Investment
Immediate parent	Doosan Enerbility Co., Ltd	\$ 27,648	\$ -	\$ -
Others	Doosan Digital Innovation America, LLC	-	320	-
	Bundang Doosan Tower Reit Co., Ltd.	-	1,013	-
	Doosan New Technology Investment Association	-	-	1,186
		\$ 27,648	\$ 1,333	\$ 1,186

		Six-month period ended June 30, 2023	
Relationship	Related party	Dividend paid	Repayment of lease liabilities
Immediate parent	Doosan Enerbility Co., Ltd	\$ 29,761	\$ -
Others	Doosan Digital Innovation America, LLC	-	230
	Bundang Doosan Tower Reit Co., Ltd.	-	1,040
		\$ 29,761	\$ 1,270

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**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 six-month periods ended June 30, 2024 and 2023 is as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Benefits	\$ 3,503	\$ 2,535
Share-based payment expenses	974	461
Retirement benefits	390	376
	<u>\$ 4,867</u>	<u>\$ 3,372</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 six-month periods ended June 30, 2024 and 2023 are as follows(in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Adjustments:		
Income tax expense	\$ 122,651	\$ 191,050
Finance income	(49,893)	(15,687)
Finance expenses	67,268	72,725
Retirement benefits (defined benefit plan)	9,801	(39,924)
Depreciation	70,011	67,920
Depreciation on investment properties	536	535
Amortization	25,345	25,049
Gain on disposal of property, plant and equipment	(113)	(7)
Loss on disposal of property, plant and equipment	44	25
Gain (loss) on equity method investments	(23)	20
Gain on valuation of long-term financial investments	(1)	(1)
Gain from cancellation of lease agreement	-	(427)
Gain on disposal of non-current assets held for sale	-	(163)
Loss on disposal of non-current assets held for sale	-	251
Share-based compensation	1,388	795
	<u>\$ 247,014</u>	<u>\$ 302,161</u>

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

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Changes in operating assets and liabilities:		
Trade receivables and other receivables	\$ (2,684)	\$ (36,665)
Inventories	(195,722)	(75,612)
Other current assets	(4,152)	(12,117)
Other non-current assets	(7,716)	(5,768)
Trade payables and other payables	187,839	194,519
Derivatives	(130)	619
Provisions	(6,351)	87
Other current liabilities	(54,324)	(7,583)
Payment of retirement benefits (defined benefit plan)	(4,886)	(7,620)
Plan assets	1,469	1,858
Other non-current liabilities	12,819	7,003
	<u>\$ (73,838)</u>	<u>\$ 58,721</u>

Significant non-cash transactions for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	<b>Six-month period ended June 30, 2024</b>	<b>Six-month period ended June 30, 2023</b>
Transfer from construction-in-progress to property, plant and equipment and intangible assets	\$ 15,267	\$ 55,774
Increase(decrease) in other payables related to the acquisition of property, plant, and equipment	(4,500)	(7,984)
Increase(decrease) in other payables related to the acquisition of intangible assets	2,314	(327)
Acquisition of right-of-use assets	13,792	29,013
	<u>\$ 26,873</u>	<u>\$ 76,476</u>

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

Details of adjustments to liabilities arising from financing activities for each of the six-month periods ended June 30, 2024 and 2023 are as follows (in thousands of USD):

	Six-month period ended June 30, 2024				
	Corporate Bonds	Borrowings	Sales and Leaseback	Lease liabilities	Total
Beginning balance	\$ -	\$ 920,641	\$ 51,419	\$ 129,036	\$ 1,101,096
Acquisition of right-of-use assets	-	-	-	12,491	12,491
Cash flows	49,550	118,685	(4,840)	(19,833)	143,562
Foreign exchange differences	-	(12,603)	867	506	(11,230)
Other non-financial changes	9	1,110	-	(2,599)	(1,480)
Ending balance	<u>\$ 49,559</u>	<u>\$ 1,027,833</u>	<u>\$ 47,446</u>	<u>\$ 119,601</u>	<u>\$ 1,244,439</u>

	Six-month period ended June 30, 2023			
	Borrowings	Sales and Leaseback	Lease liabilities	Total
Beginning balance	\$ 1,015,521	\$ 61,034	\$ 115,551	\$ 1,192,106
Acquisition of right-of-use assets	-	-	29,013	29,013
Cash flows	7,359	(7,998)	(19,910)	(20,549)
Foreign exchange differences	(2,739)	2,636	(1,614)	(1,717)
Other non-financial changes	1,376	-	2,412	3,788
Ending balance	<u>\$ 1,021,517</u>	<u>\$ 55,672</u>	<u>\$ 125,452</u>	<u>\$ 1,202,641</u>

**37. Events After the Reporting Period**

The Group decided on a comprehensive stock exchange with Doosan Robotics Co., Ltd. In accordance with the board of directors' resolution on July 11, 2024, and the final resolution is scheduled for the extraordinary general meeting of shareholders scheduled for September 25.