

KONA EV Recall Presentation

2021. 02

EV Recalls and Related Quality Costs

	Details	Note																																													
Summary	<p>Replacement of all BSA(Battery System Assembly) of subject vehicles due to defective manufacturing in some of the battery cells produced by LGES at its Nanjing, China Plant</p> <p>「 Related Recall : '20,10 Kona EV Recall」</p>																																														
Units · Model Type and Geographic Breakdown	<p>82K Units of Kona EV, IONIQ EV, Elec City Bus produced between Nov 2017 – Mar 2020</p> <table border="1"> <thead> <tr> <th>(Units)</th> <th>Kona EV</th> <th>IONIQ EV</th> <th>Elec City Bus</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Korea</td> <td>25,083</td> <td>1,314</td> <td>302</td> <td>26,699</td> </tr> <tr> <td>Overseas</td> <td>50,597</td> <td>4,402</td> <td>3</td> <td>55,002</td> </tr> <tr> <td>Global</td> <td>75,680</td> <td>5,716</td> <td>305</td> <td>81,701</td> </tr> </tbody> </table>	(Units)	Kona EV	IONIQ EV	Elec City Bus	Total	Korea	25,083	1,314	302	26,699	Overseas	50,597	4,402	3	55,002	Global	75,680	5,716	305	81,701	<p>· Regional manufactured year of models</p> <table border="1"> <thead> <tr> <th rowspan="4">Kona EV</th> <th>KOR</th> <td>'18.05/11~'20.03/13</td> </tr> <tr> <th>NA</th> <td>'18.06/20~'20.03/02</td> </tr> <tr> <th>EUR</th> <td>'18.05/04~'20.03/20</td> </tr> <tr> <th>OTHERS</th> <td>'18.05/04~'20.02/26</td> </tr> </thead> <tbody> <tr> <th rowspan="4">IONIQ EV</th> <th>KOR</th> <td>'19.05/02~'19.11/30</td> </tr> <tr> <th>NA</th> <td>'19.10/17~'20.01/07</td> </tr> <tr> <th>EUR</th> <td>'19.06/18~'20.01/29</td> </tr> <tr> <th>OHTERS</th> <td>'19.07/13~'19.12/26</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="3">Elec City Bus</th> <th>KOR</th> <td>'17.11/16~'20.03/11</td> </tr> <tr> <th>EUR</th> <td>'19.08/30</td> </tr> <tr> <th>OTHERS</th> <td>'18.05/07~'20.01/31</td> </tr> </thead> </table>	Kona EV	KOR	'18.05/11~'20.03/13	NA	'18.06/20~'20.03/02	EUR	'18.05/04~'20.03/20	OTHERS	'18.05/04~'20.02/26	IONIQ EV	KOR	'19.05/02~'19.11/30	NA	'19.10/17~'20.01/07	EUR	'19.06/18~'20.01/29	OHTERS	'19.07/13~'19.12/26	Elec City Bus	KOR	'17.11/16~'20.03/11	EUR	'19.08/30	OTHERS	'18.05/07~'20.01/31
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Quality Cost	<p>Expected total recall cost is approx. KRW 1tr</p> <p>Final quality cost will be determined based on negotiations with LGES</p> <ul style="list-style-type: none"> - To be reflected in Q4 2020 results - Depending on the results, there may be a reversal after reflecting the entire cost 	<p>· Final cost to be determined based on Ministry of Land, Infra, and Transport investigation results</p> <p>· (₩/\$) : 1,088</p> <p>· Includes KRW 39bil already provisioned in Oct '20 Kona EV recall</p>																																													

Reasons for the Recall and Quality Management Strategy

Replace All BSA to Prioritize and Ensure Customer Protection and Safety

1

Prioritize mitigating potential customer safety-related risks despite low probability of fires and high financial burden

2

Enforce proactive protective measures to our EV customers amid on going investigation

3

Relieve fire related concerns and assure confidence on our customer safety regulations ahead of the launch of E-GMP

4

Continue to endorse EV brand through taking prompt measures and preemptive quality control efforts going forward

Cautionary Statement with Respect to Forward-Looking Statements

In the presentation and in related comments by Hyundai Motor's management, our use of the words "expect," "anticipate," "project," "estimate," "forecast," "objective," "plan," "goal," "outlook," "target," "pursue" and similar expressions is intended to identify forward looking statements.

The financial data discussed herein are presented on a preliminary basis before the audit from our Independent Auditor. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors. Such factors include, among others, the following : changes in economic conditions, currency exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.