

**Doosan Škoda Power a.s.**

**INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS**

**AS OF 31 DECEMBER 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

**Doosan Škoda Power a.s. (formerly Doosan Škoda Power s.r.o.)**

Having its registered office at: Tylova 1/57, Jižní Předměstí, 301 00 Plzeň

### Opinion

We have audited the accompanying financial statements of Doosan Škoda Power a.s. (hereinafter also the “Company”), prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Doosan Škoda Power a.s. as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 24 April 2025

Audit firm:

Deloitte Audit s.r.o.



Represented by:

Lukáš Pytlíček

on the basis of a power of attorney



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

**Name of the Company:** Doosan Škoda Power a.s.  
**Registered Office:** Tylova 1/57, Jižní Předměstí, 301 00 Plzeň  
**Legal Status:** Joint Stock Company  
**Corporate ID:** 491 93 864

### Components of the Financial Statements:

Statement of Financial Position

Statement of Profit or Loss



Statement of Comprehensive Income

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements were prepared on 24 April 2025.

Statutory body of the reporting entity:	Signature
Youngki Lim Board of Directors Chairman	
Sanghoun Park Board of Directors Vice Chairman	

**Doosan Škoda Power a.s.**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2024 and 31 December 2023**  
**IFRS Accounting Standards as adopted by the European Union**  
**(in thousands of Czech crowns)**

	Note	31.12.2024	31.12.2023
<b>ASSETS</b>		<b>6 917 981</b>	<b>8 769 393</b>
Property, plant and equipment	9	1 267 661	1 315 356
Intangible assets	8	1 292 167	1 260 948
Investments in group undertakings		3 093	2 859
Non-current financial derivatives	25	1 575	12 692
Non-current receivables	5	44 265	133 242
<b>Total non-current assets</b>		<b>2 608 761</b>	<b>2 725 097</b>
Inventories	7	129 587	133 319
Trade receivables	5	1 843 899	1 411 636
Other assets	5	178 647	38 889
Contract assets	6	1 263 350	1 333 970
Current tax assets	13	33 554	--
Short term financial instruments and loans	23	--	1 050 000
Financial derivatives	25	7 743	36 379
Cash and cash equivalents	4	852 440	2 040 103
<b>Total current assets</b>		<b>4 309 220</b>	<b>6 044 296</b>
<b>EQUITY AND LIABILITIES</b>		<b>6 917 981</b>	<b>8 769 393</b>
Share capital	15	1 450 000	3 298 345
Statutory and other reserves		329 835	329 835
Revaluation of assets	15	65 128	65 128
Revaluation of hedging reserves	25	-54 612	13 623
Retained earnings		2 319 726	2 128 471
<b>Total equity</b>		<b>4 110 077</b>	<b>5 835 402</b>
Deferred tax liabilities	13	167 822	92 583
Non-current provisions	14	47 388	46 500
Non-current financial derivatives	25	68 887	24 470
Other non-current liabilities	11	23 035	21 554
<b>Total non-current liabilities</b>		<b>307 132</b>	<b>185 107</b>
Trade payables	10	1 494 561	887 818
Other liabilities	10	176 512	307 067
Contract liabilities	6	554 887	1 292 841
Income tax payable	13	--	85 795
Current provisions	14	198 855	143 551
Current financial derivatives	25	75 957	31 812
<b>Total current liabilities</b>		<b>2 500 772</b>	<b>2 748 884</b>

**Doosan Škoda Power a.s.**  
**SEPARATE STATEMENT OF PROFIT OR LOSS**  
**for the period from 1 January 2024 to 31 December 2024 and 1 January 2023 to 31 December 2023**  
**IFRS Accounting Standards as adopted by the European Union**  
**(in thousands of Czech crowns)**

	Note	2024	2023
Revenues from goods, products and services	16	5 872 268	4 773 916
Other revenues	16	29 487	22 846
<b>Revenues</b>		<b>5 901 755</b>	<b>4 796 762</b>
Raw materials and consumables used		-3 947 220	-3 369 533
Own work capitalized		80 430	72 545
Personnel expenses	18	-1 115 502	-1 007 619
Depreciation and amortization	8, 9	-168 420	-165 523
Other operating expenses	19	-104 727	-87 590
Other gains and losses	20	-43 140	233 074
<b>Operating expenses</b>		<b>-5 298 579</b>	<b>-4 324 646</b>
Profit/loss from disposal of non-current assets and material		110	-1
<b>Operating profit</b>		<b>603 286</b>	<b>472 115</b>
Extraordinary cost		-1 649	--
Revenue from investments		--	--
Financial income	22	406 629	287 807
Financial costs	22	-121 380	-26 778
<b>Profit before income tax</b>		<b>886 886</b>	<b>733 144</b>
Income tax expense	13	-219 143	-186 289
<b>Profit for the period</b>		<b>667 743</b>	<b>546 855</b>

**Doosan Škoda Power a.s.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**for the period from 1 January 2024 to 31 December 2024 and 1 January 2023 to 31 December 2023**  
**IFRS Accounting Standards as adopted by the European Union**  
**(in thousands of Czech crowns)**

	2024	2023
<b>Profit for the accounting period</b>	<b>667 743</b>	<b>546 855</b>
<b>Other net comprehensive income</b>	<b>-68 235</b>	<b>-26 241</b>
Items that will not be reclassified subsequently to profit or loss:		
Increase/decrease in value of assets as a result of their revaluation	--	44 306
Deferred tax relating to items not reclassified	--	-10 067
	-	34 239
Items that may be reclassified subsequently to profit or loss:		
Revaluation of available-for-sale financial assets	--	--
Gains/losses on cash flow hedges	-86 373	-74 241
Foreign currency translation differences for foreign operations	0	0
Share of other comprehensive income of associated companies	--	--
Deferred tax on items that may be reclassified	18 138	13 761
	-68 235	-60 480
<b>Total comprehensive income for the accounting period</b>	<b>599 508</b>	<b>520 614</b>

**Doosan Škoda Power a.s.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**for the period from 1 January 2024 to 31 December 2024 and 1 January 2023 to 31 December 2023**  
**IFRS Accounting Standards as adopted by the European Union**  
**(in thousands of Czech crowns)**

	Share capital	Statutory and other reserves	Revaluation of assets	Revaluation of hedging reserves	Retained earnings	Total equity
<b>Balance as at 1 January 2023</b>	<b>3 298 345</b>	<b>329 835</b>	<b>30 889</b>	<b>74 103</b>	<b>3 777 007</b>	<b>7 510 179</b>
Changes in accounting methods	--	--	--	--	--	--
Adjustment to prior period data	--	--	--	--	--	--
Adjusted balance	3 298 345	329 835	30 889	74 103	3 777 007	7 510 179
Profit for the period	--	--	--	--	546 855	546 855
Components of other comprehensive income	--	--	34 239	-60 480	--	-26 241
- assets revaluation	--	--	34 239	--	--	34 239
- realizable financial assets	--	--	--	--	--	--
- cash flow hedging	--	--	--	-74 241	--	-74 241
- exchange rate differences from foreign activities	--	--	--	--	--	--
- share on other total profit of associates	--	--	--	--	--	--
- tax for items reported in equity or transferred to equity	--	--	--	13 761	--	13 761
Total comprehensive income for the period	--	--	34 239	-60 480	546 855	520 614
Transactions with owners						
Change in share capital	--	--	--	--	--	--
Dividends	--	--	--	--	-2 195 391	-2 195 391
Other contributions to share capital	--	--	--	--	--	--
Other equity transactions						
Distribution of equity outside owners	--	--	--	--	--	--
Transfer from other components of equity to retained profits	--	--	--	--	--	--
Transfer of retained profits to other components of equity	--	--	--	--	--	--
<b>Balance as at 31 December 2023</b>	<b>3 298 345</b>	<b>329 835</b>	<b>65 128</b>	<b>13 623</b>	<b>2 128 471</b>	<b>5 835 402</b>
<b>Balance as at 1 January 2024</b>	<b>3 298 345</b>	<b>329 835</b>	<b>65 128</b>	<b>13 623</b>	<b>2 128 471</b>	<b>5 835 402</b>
Changes in accounting methods	--	--	--	--	--	--
Adjustment to prior period data	--	--	--	--	--	--
Adjusted balance	3 298 345	329 835	65 128	13 623	2 128 471	5 835 402
Profit for the period	--	--	--	--	667 743	667 743
Components of other comprehensive income	--	--	--	-68 235	--	-68 235
- assets revaluation	--	--	--	--	--	--
- realizable financial assets	--	--	--	--	--	--
- cash flow hedging	--	--	--	-86 373	--	-86 373
- exchange rate differences from foreign activities	--	--	--	--	--	--
- share on other total profit of associates	--	--	--	--	--	--
- tax for items reported in equity or transferred to equity	--	--	--	18 138	--	18 138
Total comprehensive income for the period	--	--	--	-68 235	667 743	599 508
Transactions with owners						
Change in share capital	-1 848 345	--	--	--	--	-1 848 345
Dividends	--	--	--	--	-476 488	-476 488
Other contributions to share capital	--	--	--	--	--	--
Other equity transactions						
Distribution of equity outside owners	--	--	--	--	--	--
Transfer from other components of equity to retained profits	--	--	--	--	--	--
Transfer of retained profits to other components of equity	--	--	--	--	--	--
<b>Balance as at 31 December 2024</b>	<b>1 450 000</b>	<b>329 835</b>	<b>65 128</b>	<b>-54 612</b>	<b>2 319 726</b>	<b>4 110 077</b>



**Doosan Škoda Power a.s.**  
**SEPARATE CASH FLOW STATEMENT**  
**for the period from 1 January 2024 to 31 December 2024 and 1 January 2023 to 31 December 2023**  
**IFRS Accounting Standards as adopted by the European Union**  
**(in thousands of Czech crowns)**

	2024	2023
<b>Profit before tax</b>	<b>886 886</b>	<b>733 144</b>
- Depreciation and amortization	168 420	165 523
- Profit/loss on disposal of non-current assets	-37	-45
- Impairment losses on current assets	-13 380	-17 814
- Non-capitalized exchange rate differences	-33 368	58 468
- Share of profit of equity accounted investees	-21 943	--
- Interest paid, interest expenses and income and bank fees	-230 289	-239 731
- Other non-cash operations	43 717	-96 257
- Creation and release of provisions	56 193	-62 874
Total adjustments	-30 687	-192 730
<b>Cash flows from operating activities before changes in working capital</b>	<b>856 199</b>	<b>540 414</b>
Change in inventories	-8 430	-14 864
Change in trade and other receivables	-130 454	-614 521
Change in trade and other payables	-318 834	1 136 678
Cash from operating activities	398 481	1 047 707
Interest received	53 757	61 116
Interest paid and bank fees	-10 248	-9 244
Income tax paid	-242 921	-125 588
<b>Net cash from operating activities</b>	<b>199 069</b>	<b>973 991</b>
Acquisition of property, plant and equipment	-54 604	-41 237
Aquisition of intangible assets	-76 528	-72 339
Proceeds from sale of property, plant and equipment	40	56
Loans provided - payoff	--	1 730 000
Interest received	--	240 550
Dividend received	19 748	--
<b>Net cash from investing activities</b>	<b>-111 344</b>	<b>1 857 030</b>
Share capital decrease	-798 345	--
Paid dividends	-476 488	-2 195 390
<b>Net cash from financing activities</b>	<b>-1 274 833</b>	<b>-2 195 390</b>
Net increase/decrease in cash and cash equivalents	-1 187 108	635 631
Cash and cash equivalents at the beginning of period	2 040 103	1 399 907
FX gains/losses on cash and cash equivalents	-555	4 565
<b>Cash and cash equivalents at the end of the period</b>	<b>852 440</b>	<b>2 040 103</b>

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## 1. Description of the Company's activities

### *Establishment and description of the Company*

Doosan Škoda Power a.s., formerly Doosan Škoda Power s.r.o. ("the Company") was established by a Memorandum of Association as a limited liability company on 27 April 1993 and was recorded in the Commercial Register on 1 July 1993 in Pilsen.

On 1 January 2025, the legal form of the Company was changed to a joint-stock company. On 6 February 2025 the Company listed its shares on the Prague Stock Exchange and became Public Interest Entity. See Note 32 Subsequent events.

The Company has only one not significant wholly owned subsidiary ŠKODA POWER Private Limited (the Subsidiary), the Company has voting control there.

The Company is a leading European manufacturer and supplier of the technological equipment and customer services in the field of power generation – a supplier of steam turbines to machine halls of ŠKODA design and of complex services for fossil power plants, cogeneration units, combined cycles, nuclear power plants, waste & biomass incineration plants and solar power plants.

### *Owners of the Company*

The sole owner as at 31 December 2024 is Doosan Power Systems S.A. (Grand Duchy of Luxembourg). The ultimate parent is Doosan Co., Ltd (Korea).

### *Company registered office*

Doosan Škoda Power a.s.  
Tylova 1/57  
301 28 Pilsen  
Czech Republic

### *Identification number*

491 93 864

The registered office of the Subsidiary:

ŠKODA POWER Private Limited  
Siddhartha Chamber, Hauz Khas  
New Delhi 110016  
India

### *Changes in the Commercial Register*

In 2024 there were following changes in the Commercial Register: Sukjoo Kang, Hongook Park and Jeongtaek Lee were removed as Statutory Executives and Seungwoo Sohn, their executive position ceased on 24 January 2024. Youngki Lim and Donggil Kim were appointed as Statutory Executives. The changes were entered into the Commercial Register on 9 May 2024.

As of 5 December 2024 a reduction in the share capital to the value of TCZK 1 450 000 was recorded with information confirming that the share capital is fully paid.

### *Organizational structure*

In 2024 the statutory body of the Company consisted of four executives. Two of them were engaged in daily managing roles: one executive director acted as the Company's Chief Executive Officer, the second executive director acted as the Company's Chief Financial Officer. CFO as well as the Chief Operating Officer, the managers of HR, Turbogenerator Product, Execution, Corporate Strategy and Marketing were accountable directly to the CEO. The managers of Sales and Procurement were accountable to the COO.

From 1 January 2025 the company adjusted the Organizational structure: CFO, COO, Director of HR, Director of Operations and Head of Strategy & Marketing are accountable directly to the CEO. Directors of Sales, Service and Head of Technical Development are accountable to the COO. Directors of Execution, Turbogenerator Product and Procurement are accountable to Director of Operations.

*Statutory executives as of 31 December 2024:*

Youngki Lim  
Seungwoo Sohn  
Sanghoun Park  
Donggil Kim

*Board of Directors from 1 January 2025:*

Youngki Lim - Chairman  
Sanghoun Park – Vice Chairman  
Seungwoo Sohn - Member  
Donggil Kim - Member

## 2. Basis of preparation of the financial statements

### Statement of compliance

The financial statements were prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The financial statements were authorized for issue on 24 April 2025.

### Separate financial statements

These statements are separate financial statements of the Company as defined by IAS 27. The Company has only one subsidiary ŠKODA POWER Private Limited (see Note 30 for details) and it is accounted at cost of acquisition in the separate financial statements. Consolidated financial statements are prepared by the Company.

### New and revised IFRS Accounting Standards that are effective for the current reporting period

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-Current - Deferral of Effective Date
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

### New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following revised IFRS Accounting Standards that have been issued by IASB but are not yet effective:

Standard	Title	Effective date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

### New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS accounting standards as adopted by the EU do not significantly differ from IFRS accounting standards adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at date of authorisation of these financial statements:

Standard	Title	Effective date
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)	Not yet adopted by EU
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)	Not yet adopted by EU

Standard	Title	Effective date
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 (IASB effective date: 1 January 2026)	Not yet adopted by EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Company is currently reviewing the impact of the new IFRS 18 standard to its financial statements and disclosures.

The Company does not expect that the adoption of the other new accounting standards listed above will have a material impact on the financial statements of the Company in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: Financial Instruments: Recognition and Measurement would not significantly impact the financial statements.

#### **Going Concern**

The Company has, at the time of approving the financial statements, a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

#### **Basis of measurement**

The financial statements have been prepared on a historic cost basis, with the exception of financial assets and financial derivatives, which are valued at fair value. The fair value is determined on the basis of a market valuation or a qualified estimate.

#### **Use of estimates, critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements in compliance with IFRS accounting standards adopted by EU requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to

be reasonable under the circumstances, the results of which form the basis for making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Impairment of assets

The Company assesses the recoverable value of all assets when there are indicators of their impairment (with the exception of intangible assets with indefinite useful lives, which are tested for impairment at least annually). This assessment is based on anticipated assumptions and may change in the future as the situation evolves and information is available.

#### Long term contracts

Revenue recognition on long term contracts depends on certain variables (percentage of completion, costs to complete, margin, estimate of penalties that may be claimed by customers, etc.). Those variables are re-assessed every month based on anticipated assumptions and may change in the future as the situation evolves and new information becomes available.

#### Provisions for legal disputes and business risks

The Company may be involved in court and out-of-court commercial disputes. Where the criteria for the recognition of provisions are met, the Company creates provisions for these disputes on the basis of the best available information and estimates. However, the actual outcome of the disputes may differ from these estimates.

### **3. Summary of material accounting policies**

#### **Functional currency**

With regard to the economic environment the Czech crown was determined as the functional currency of the Company, as substantial part of the costs is influenced by CZK (personal cost, both cost for services and material deliveries, etc.) and revenues are influenced by various currencies depending on the contracts fulfilled in given year. The functional currency of the subsidiary is INR.

Unless stated otherwise the figures disclosed in these financial statements are in thousands of Czech crowns, "TCZK".

#### **Changes and restatements in 2023 financial statements**

See note 31 Changes and restatements in 2023 financial statements

#### **Revenue recognition - contracts with customers**

The Company recognizes revenue at the amount of consideration to which the Company expects to be entitled in exchange for transferring its promised goods and services to a customer.

The Company recognizes three main revenue streams:

- New installation – new machine deliveries including retrofits (new rotors according the state of the art). Project execution usually take over two years up to three years, followed by warranty period.
- Service - repairs and general overhauls, general services, spare parts. Usually short term projects realized within one year
- Long term service agreements (LTSA)

The Company recognizes its revenues predominantly based on 'over time' method due to customer-specific nature of production covered by signed and legally enforceable contracts. The Company applies input (cost-to-cost) method for measurement of percentage of completion as this method best reflects nature of Company's contracts and way how the control and value is transferred to the customers. Contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract, which is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Contract costs incurred include also accruals for significant deliveries for specific contracts provided by vendors according to the amount they incurred to date (deliveries over 2 MCZK where production time exceeds 6 months).

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At a point in time recognition method applies only to sales of excessive materials and scrap. This revenue stream is not material.

#### **Significant payment terms**

For all new installations and bigger service projects the Company receives usually several advances, accounted along with the main parts delivery. The advances are in the range from ca 10% to 70% of the contract value.

Typical billing milestones for New Installation contracts are distributed through the project duration to advance payments (contract signature, allocation of sub-deliveries) and milestone-based invoices (ex. delivery of designs, castings, forging and generators).

Typical billing milestones for Services and Long term service agreements are based on upon-agreed and scheduled performances. Works are typically not subject advance payments and may contain inflation index clauses.

The typical maturity of issued invoices is 30 days, less often 45 or 60 days. For significant contracts, 5% or up to 10 % of the invoice payment may be subject of retention, which may prolong the payment maturity to 120 days up to two years, exceptionally longer. As release of the retained payment is subject only to elapse of the prolonged time period, the Company recognizes the retained payments as receivables.

#### **Variable consideration**

Contracts with customers usually include penalty clause, like liquidated damages for delay and non-compliance of guaranteed parameters. If such event occurs, the contract price is reduced. Since the probability of such event is very low, the Company accounts and reports the variable adjustment of transaction price only when it becomes probable.

Contract values do not include any other discounts and bonuses.

#### **Contract-related costs**

Cost to obtain contract and cost to fulfil contract incurred before the contract is obtained by the Company are not material. The Company is using own sales teams for order intake.

#### **Financing component**

The timing difference between revenue recognition and cash flow received is typically less than one year, therefore the Company is applying the practical expedient and does not account for the effect of significant financing component. Balances given by long-term retainage do not give rise to material discounting effect.

#### **Warranties**

The Company classifies warranty for provided projects as assurance-type warranty as the warranty conditions do not exceed standard assurance. In case of defect or malfunction the root cause is always analysed and if the problem is within the Company range of responsibility, then the cost is covered by the Company and from warranty provision.



### **Contract Balances**

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as contract assets. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as contract liabilities. Amounts received before the related work is performed are included in the statement of financial position, as a contract liability. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position under trade receivables.

### **Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **Transactions in foreign currencies**

Transactions denominated in foreign currencies other than the functional currency of the entities included in the consolidation are translated at the exchange rate at the transaction date (official exchange rates of the Czech National Bank, hereafter exchange rate). Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Gains and losses arising from changes in exchange rates of foreign currencies after the transaction date are recognised in the profit or loss account.

### **Property, plant and equipment**

#### *Assets owned by the Company*

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses, except for land. Land is subsequently measured at revalued amounts and is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of the assets. Tangible fixed assets costing less than TCZK 5 are charged to the profit or loss account in the year that they are acquired (cutting instruments costing less than TCZK 10, devices costing less than TCZK 20 and cutting products costing less than TCZK 40 are also charged to the profit or loss account in the year they were acquired).

### *Depreciation*

Depreciation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease terms.

Day to day repair and maintenance costs are charged directly to the profit or loss account.

The estimated useful lives are as follows:

<b>Asset</b>	<b>Period (years)</b>
Buildings	20 – 50
Machinery and equipment	3 – 16
Hardware	4

Depreciation methods, useful lives and residual values are reviewed each year.

### **Intangible assets**

#### *Initial recognition and amortisation*

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Intangible assets with specific useful lives are amortised over their estimated useful lives, starting from the time when they are ready for use, i.e. once they are at a location and in a condition allowing for their use as intended by the Company. The amortisation period for non-current intangible assets owned by the Company ranges from 2 to 10 years, assets are depreciated on a straight-line basis. Amortisation rates and useful lives applied are reviewed on regular basis (at least at the end of the accounting period), with changes applied, if necessary, in the following period.

Intangible assets with indefinite useful lives are not amortised.

Intangible assets costing less than TCZK 5 are recognised as an expense in the period when they become ready for their intended use.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### **Impairment**

The carrying amounts of the Company's assets, other than inventories, assets where IFRS 9 impairment requirements are applied and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated, and the amount of impairment, if any, is determined. If the recoverable amount of the individual asset cannot be estimated, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount of the assets (or cash-generating unit) is lower than its carrying amount, the carrying amount of the assets (cash-generating unit) is reduced to the recoverable amount. Impairment losses are recognised in expenses – Other gains and losses.

If an impairment loss is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the newly estimated recoverable amount; only to the extent, however, that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised in respect of the asset (cash-generating unit). Reversal of impairment loss (except for goodwill) is recognised in income.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The brand value analysis is based on the royalty fee estimate utilizing revenue forecast linked to the Company's long-term budgets and the market royalty rate assumption. To obtain a brand value, the estimated royalty fees are converted to their present value using an appropriate discount rate relevant for intangible assets valuation.

*Impairment of financial assets (IFRS 9)*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and contract assets due from customers. The expected credit losses on these financial assets are estimated either individually or using a provision matrix based on the Company's historical credit loss experience: all receivables are divided into 3-months buckets according to their aging. For each buckets is annually recalculated allowance percentage from the last four years historical analysis. The percentage is based on how much of the amount outstanding at the end of each quarter is not collected by the end of the next quarter. Data for calculation include written-off receivables.

Allowance %	2024	2023	2022
Due	1.2%	1.6%	1.5%
Up to 3 months	7.0%	4.9%	4.4%
3-6 months	17.9%	14.3%	11.9%
6-9 months	25.1%	20.5%	17.4%
9-12 months	36.9%	32.4%	28.1%
12-15 months	50.4%	42.0%	40.2%
15-18 months	57.3%	50.5%	46.4%
18-21 months	63.9%	60.0%	56.2%
21-24 months	67.6%	65.6%	60.5%
24-27 months	74.3%	71.4%	65.9%
27-30 months	85.2%	86.3%	80.1%
30-33 months	98.4%	98.4%	91.3%
over 33 months	100.0%	100%	100%

For all other financial instruments, the Company measures the loss allowance at an amount equal to 12-month ECL for stage 1 assets and at an amount equal to lifetime ECL for stage 2 and stage 3 assets. Financial instruments are moved to stage 2 when they are overdue more than 30 days and to stage 3 when there is a default.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The assets write-off follows the end of the bankruptcy proceedings.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except trade receivables (without significant financing component), which are initially recognized at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

#### *Trade receivables*

Trade receivables are initially recognised at the transaction price and subsequently stated at amortised cost less expected credit losses.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand, cash at the bank, bank deposits and current highly liquid investments with an original maturity up to three months.

#### *Trade payables*

Trade payables are stated at nominal value.

#### *Financial derivatives - Cash flow hedging (hedging derivatives)*

The Company continuously monitors exchange rate risks and employs zero-cost hedging strategies where appropriate to mitigate potential adverse effects on the financial performance associated with future cash flows, aiming to hedge 100 % of open position that exceeds the level of natural hedging at the individual business case level, subject to a threshold of TCZK 2 500. The typical hedge ratio ranges from 60 to 100 %, depending on the currency involved in the business case.

The Company applies hedge accounting under IFRS 9. The Company classifies derivative instruments as hedging derivatives and trading derivatives. Derivatives are classified as hedging where the following conditions are met:

- at the inception of the hedge, there is a formal designation of the hedged items or transactions, the hedging instruments, the risks being hedged, and how the hedge effectiveness will be calculated and supported;
- the hedge is effective (i.e it meets an “economic relationship” criterion);
- the effectiveness of the hedge is assessed on an ongoing basis.

The Company determines the economic relationship between the hedged item and the hedging instrument by ensuring that there is an expectation that the value of the hedging instrument will move in an opposite direction to the value of the hedged item in response to changes in the hedged risk.

The Company enters into fixed-term derivative contracts, such as forwards and swaps, exclusively with top-tier financial institutions.

The hedged item is specifically identified as the highly probable cash flow, evaluated individually at the level of each business case. The purpose of hedging is to eliminate risk rather than to engage in speculation; therefore, the Company hedges only effective projects or their parts. The risk component is designated using a conservative approach, with only initially highly probable income considered for hedging.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The Company utilizes the hypothetical derivative approach for evaluating hedge effectiveness and quantifying hedge ineffectiveness.

Potential exceptional loss of high efficiency may result from substantial timing mismatches between the hedged item and the hedging instrument, which cannot be mitigated through swap transactions or adjustments in contract terms. Hedging effectiveness may be compromised if there is a significant reduction in the likelihood of cash flow realization, primarily due to sudden untreated counterparty risk of the cash-flow originator.

Derivatives that do not meet the above conditions for hedge accounting are classified by the Company as trading.

Financial derivatives are initially recognised at fair value (which is also the cost price) and subsequently measured at fair value at the reporting date.

The non-effective portion of the hedging derivative is recognized in the profit or loss account (line "other gains and losses"). The effective portion of the hedging derivative is recognised in equity (line "Revaluation and hedging reserve") and then reclassified to the profit or loss account (line "other gains and losses") proportionally to percentage of completion of the contract. Percentage of completion or incompleteness is calculated individually at the project level.

Fair value of financial derivatives is determined based on contract valuation at the reporting date. The Company obtained L2 level valuation from individual banks with whom the derivatives were contracted.

Hedge accounting is discontinued when the hedging instrument no longer qualifies for hedge accounting (e.g. when realisation of a hedged cash flow is not expected to happen). Any gain or loss recognised in other comprehensive income and accumulated in equity at that time is immediately reclassified in profit or loss.

*Financial derivatives – fair value hedging (trading derivatives)*

The Company will strategically utilize its resources to maximize potential returns, in alignment with our long-term growth objectives and financial stability. In the event that the Company exceptionally identifies and executes an advantageous financial investment, the fair value ensuring the profitability of this opportunity is hedged using the same principles as described above regarding determination of the economic relationship between the hedged item and the hedging instrument. Forward and swap transactions are used to mitigate currency risk until the financial assets are realized.

Financial derivatives are initially recognised at fair value and subsequently measured at fair value as of the reporting date. Changes in the fair value of financial derivatives are recognised in the profit or loss account (line "financial income" or "financial costs") based on L2 valuation obtained from the cooperating bank.

### **Inventories**

Inventory is stated at the lower of the acquisition cost and net realisable value. The cost includes transportation and insurance charges, direct material, direct labour and overhead incurred in bringing the inventory to its present location and condition. The net realisable value is the estimated selling price less estimated completion costs and estimated costs to sell.

Based on a detailed analysis of individual material items the Company determined to create 50% provision against material that has been idle for more than one year.

Use of material is stated using the weighted average method.

### **State subsidies**

State subsidies are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Subsidies awarded to refund the Company for expenses incurred are recognised in income over the period, in which the related expenses are incurred, and are deducted when the expenses are recognised.

### **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### *Warranty provisions*

A warranty provision is established based on an analysis of historical costs incurred for warranties, adjusted by the expected future development in warranties.

#### *Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### *Other provisions*

Provisions for risks and other provisions are created on the basis of an individual assessment carried out by responsible project managers and administrators.

### **Research and development**

Research costs are incurred for the purpose of acquiring new technical knowledge, which may lead to improved products or processes in the future, the economic viability of which however has not been established. Research costs are charged to the profit or loss account in the year in which they are incurred.

Development costs incurred comprise new technical knowledge or methods for new or substantially improved products or production processes.

Development costs can be capitalized only if development expenditures can be measured reliably, the product or process is technically and commercially feasible and will generate probable future economic benefits, the Company intends to and has sufficient resources to complete development and to use or sell the asset. If the above conditions are not met, development costs are expensed in the year in which they are incurred.

**4. Cash, cash equivalents**

<b>TZCK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Cash in bank accounts	852 440	2 040 103
Current deposits	-	-
<b>Total</b>	<b>852 440</b>	<b>2 040 103</b>

The vast majority of cash (ca 90%) is held in big Czech banks with good credit rating, which are under the supervision of the Czech National Bank.

**5. Trade receivables and other assets**

**Trade receivables**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Trade receivables	1 356 511	1 316 734
Other trade receivables	56 864	2 823
Accrued receivables	622 631	326 490
<b>Total receivables (gross)</b>	<b>2 036 006</b>	<b>1 646 047</b>
<b>Allowances</b>		
Opening balance	-234 411	-255 567
Additional allowances	-40 471	-45 813
Amounts written off	50 460	10 614
Amounts recovered	35 380	49 165
Foreign exchange gains and losses	-3 065	7 190
Closing Balance	-192 107	-234 411
<b>Total receivables (net)</b>	<b>1 843 899</b>	<b>1 411 636</b>

**Ageing structure of trade receivables**

<b>TCZK</b>	<b>31.12.2024</b>		<b>31.12.2023</b>	
	Gross amount	Allo-wance	Gross amount	Allo-wance
Due	727 985	-7 274	634 223	-10 322
Up to 3 months	155 235	-7 192	201 432	-5 455
3-6 months	175 163	-2 171	85 718	-10 535
6-9 months	16 376	-3 936	13 544	-1 767
9-12 months	42 591	-4 775	40 917	-10 938
12-15 months	25 057	-12 629	77 953	-179
15-18 months	8 566	-930	2 545	-260
18-21 months	8 645	-2 322	35 227	-8 096
21-24 months	13 854	-7 340	600	-394
24-27 months	83 509	-183	8 608	-1 026
27-30 months	2 148	0	412	-355
30-33 months	2 084	0	22 040	-17 413
over 33 months	152 162	-143 355	196 338	-167 671
<b>Total</b>	<b>1 413 375</b>	<b>-192 107</b>	<b>1 319 557</b>	<b>-234 411</b>

Average credit period of trade receivables is 91 days.

Non-current receivables are represented mostly by retentions – project receivables with prolonged payments maturity according to contract conditions.

**Other assets**

Other assets consist of receivables from the state, primarily VAT, operational advances paid, accrued expenses and other receivables (from employees.)

**6. Balance of long term contracts**

**Contract assets**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Contract assets	1 273 600	1 347 004
Allowances	-10 250	-13 034
<b>Total Contract assets (net)</b>	<b>1 263 350</b>	<b>1 333 970</b>

**Contract liabilities**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Opening balance	1 292 841	617 940
Revenue recognised in the reporting period that was included in the contract liability balance at the start of the period	1 196 340	507 404
New liabilities	458 386	1 182 305
<b>Closing balance</b>	<b>554 887</b>	<b>1 292 841</b>

**7. Inventories**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Raw materials	176 443	168 053
<b>Total inventories (gross)</b>	<b>176 443</b>	<b>168 053</b>
<b>Allowances</b>		
Opening balance	-34 734	-39 348
Additional / recovered amounts	-12 122	-1 913
Amounts written off	-	6 527
Closing Balance	-46 856	-34 734
<b>Total (net)</b>	<b>129 587</b>	<b>133 319</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations is TCZK 486 109 (2023: TCZK 501 859).

**8. Intangible assets**

**2024**

<b>Acquisition value</b>	<b>Software</b>	<b>Brand</b>	<b>Assets under construction</b>	<b>Development costs</b>	<b>Other</b>	<b>Total</b>
<b>TCZK</b>						
1 January 2024	539 055	959 776	342 595	497 676	28 107	<b>2 367 209</b>
Additions	2 404	-	75 001	-	-	<b>77 405</b>
Disposals	-	-	-	-	-	-
Transfers	2 324	-	-40 138	37 814	-	-
<b>31 December 2024</b>	<b>543 783</b>	<b>959 776</b>	<b>377 458</b>	<b>535 490</b>	<b>28 107</b>	<b>2 444 614</b>
<b>Accumulated amortisation and impairment losses</b>						
<b>TCZK</b>						
1 January 2024	535 968	-	137 052	405 156	28 085	<b>1 106 261</b>
Amortisation for year	5 298	-	-	40 871	17	<b>46 186</b>
Disposals	-	-	-	-	-	-
<b>31 December 2024</b>	<b>541 266</b>	<b>-</b>	<b>137 052</b>	<b>446 027</b>	<b>28 102</b>	<b>1 152 447</b>



Doosan Škoda Power a.s.  
NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024  
PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY EU

Net book value	Software	Brand	Assets under construction	Development costs	Other	Total
<b>TCZK</b>						
1 January 2024	3 087	959 776	205 543	92 520	22	1 260 948
31 December 2024	2 517	959 776	240 406	89 463	5	1 292 167

**2023**

Acquisition value	Software	Brand	Assets under construction	Development costs	Other	Total
<b>TCZK</b>						
1 January 2023	534 243	959 776	334 617	438 126	28 107	2 294 869
Additions	4 584	0	70 980	-3 176	-	72 388
Disposals	0	0	-48	-	-	-48
Transfers	228	0	-62 954	62 726	-	0
31 December 2023	539 055	959 776	342 595	497 676	28 107	2 367 209

Accumulated amortisation and impairment losses	Software	Brand	Assets under construction	Development costs	Other	Total
<b>TCZK</b>						
1 January 2023	532 272	-0	137 052	374 794	28 041	1 072 159
Amortisation for year	3 696	0	0	30 362	44	34 102
Disposals	0	0	0	-	-	0
31 December 2023	535 968	-0	137 052	405 156	28 085	1 106 261

Net book value	Software	Brand	Assets under construction	Development costs	Other	Total
<b>TCZK</b>						
1 January 2023	1 971	959 776	197 565	63 332	66	1 222 710
31 December 2023	3 087	959 776	205 543	92 520	22	1 260 948

Development costs is internally generated intangible asset.

The most important intangible asset is ŠKODA brand in the amount of TCZK 959 776. This brand is regarded as having indefinite useful economic live and is therefore not amortised. The brand is protected by trademark, which is renewable indefinitely, in all of the major markets where the Company operates. There are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of this brand. Accordingly, the Company believes that it is appropriate that the brands are treated as having indefinite lives for accounting purposes.

Annual impairment test 2024 based on expected discounted cash flows (12,2% discount rate) from royalty fees to be paid for using similar brand (1.8% of forecasted revenues) did not indicate Škoda Brand impairment.

Assets under construction represents mainly capitalized Research and development cost.

Total R&D costs amounted to TCZK 137 277 in 2024 (2023: TCZK 135 501). A part of the cost in the amount of TCZK 73 898 was capitalized and is included in intangible assets (2023: TCZK 63 811). Non-capitalized R&D cost is included in operating expenses.

There is an allowance for intangible assets in the amount of TCZK 137 052. In 2018, the Company created 100% allowance to capitalized Development costs under construction for "long blades" because the project most probably will not continue.

In 2024 the SW MATLAB in total value of TCZK 564 was acquired.

The main technical improvement was on SW PDMS in total purchase price of TCZK 2 159 and on SW COMOS in total purchase price of TCZK 1 804.

**9. Property, plant and equipment**

**2024**

Acquisition value	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2024	32 105	310 145	1 254 841	2 418 280	278 830	<b>4 294 201</b>
Additions	29 208	-	5 513	23 489	16 804	<b>75 014</b>
Disposals	-	-	-	-33 240	-4 250	<b>-37 490</b>
Transfers	-24 627	-	8 780	15 383	-	<b>-464</b>
<b>31 December 2024</b>	<b>36 686</b>	<b>310 145</b>	<b>1 269 134</b>	<b>2 423 912</b>	<b>291 384</b>	<b>4 331 261</b>

Accumulated depreciation and impairment losses	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2024	5 698	-	558 801	2 159 434	254 912	<b>2 978 845</b>
Depreciation for year	-	-	41 361	69 089	11 796	<b>122 246</b>
Impairment losses	-	-	-	-	-	<b>-</b>
Disposals	-	-	-	-33 241	-4 250	<b>-37 491</b>
<b>31 December 2024</b>	<b>5 698</b>	<b>-</b>	<b>600 162</b>	<b>2 195 282</b>	<b>262 458</b>	<b>3 063 600</b>

Net book Value	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2024	26 407	310 145	696 040	258 846	23 918	<b>1 315 356</b>
<b>31 December 2024</b>	<b>30 988</b>	<b>310 145</b>	<b>668 972</b>	<b>228 630</b>	<b>28 926</b>	<b>1 267 661</b>

**2023**

Acquisition value	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2023	15 666	265 839	1 254 384	2 408 521	293 345	<b>4 237 755</b>
Additions	25 525	44 306	6 317	12 717	16 453	<b>105 318</b>
Disposals	-505	-	-8 157	-9 241	-30 968	<b>-48 871</b>
Transfers	-8 581	-	2 297	6 283	-	<b>-1</b>
<b>31 December 2023</b>	<b>32 105</b>	<b>310 145</b>	<b>1 254 841</b>	<b>2 418 280</b>	<b>278 830</b>	<b>4 294 201</b>

Accumulated depreciation and impairment losses	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2023	5 698	-	525 841	2 086 510	276 174	<b>2 894 223</b>
Depreciation for year	-	-	41 117	82 165	9 706	<b>132 988</b>
Impairment losses	-	-	-	-	-	<b>-</b>
Disposals	-	-	-8 157	-9 241	-30 968	<b>-48 366</b>
<b>31 December 2023</b>	<b>5 698</b>	<b>-</b>	<b>558 801</b>	<b>2 159 434</b>	<b>254 912</b>	<b>2 978 845</b>

Net book Value	Assets under construction	Lands	Buildings	Machinery and equipment	Other	Total
<b>TCZK</b>						
1 January 2023	9 968	265 839	728 543	322 011	17 171	<b>1 343 532</b>
<b>31 December 2023</b>	<b>26 407</b>	<b>310 145</b>	<b>696 040</b>	<b>258 846</b>	<b>23 918</b>	<b>1 315 356</b>

*The main additions and disposals property, plant and equipment in 2024:*

Equipping the vocational training center with new and used equipment and machines in total value of TCZK 7 941, 3D measurement device for large parts in total value of TCZK 7 346, new testing stand for regulation in total value of TCZK 5 756, new digital CCTV system 1 900, new endoscope IPLEX NX with probe IV9650N 5m in total value of TCZK 1 441, computer technology in total value of TCZK 6 447, models and forms in total value of TCZK 4 856 and equipment in total value of TCZK 4 513.

The most significant technical improvements were made on buildings: modernization and replacement of elevators in total value of TCZK 3 515 and vocational training center in the production hall in total value of TCZK 4 015, building fall protection system in total value of TCZK 931 tis. Kč, LED lighting system in production hall in total value of TCZK 920. New milling head for CNC horizontal boring and milling machine WHR13MC in total value of TCZK 1 375.

The main disposals in 2024 represent the disposal and sale of separate tangible assets in total acquisition value of TCZK 20 768 (net book value TCZK 0), liquidation of other equipment in total acquisition value TCZK 1 616 (net book value TCZK 11) and liquidation disposal of tools and fixtures in total acquisition value TCZK 1 468 (net book value TCZK 207).

*The main additions and disposals property, plant and equipment in 2023:*

Industrial endoscope IPLEX NX with probe IV9650N in total value of TCZK 1 094, models and forms in total value of TCZK 6 360, computer technology in total value of TCZK 5 811, equipment in total value of TCZK 2 535 and revaluation of land TCZK 44 306.

The most significant technical improvements were made in the buildings - LED lighting system in total value of TCZK 6 238, on the balancing equipment - tunnel in total value of TCZK 2 776 and on cranes - replacement of frequency converters TCZK 1 708.

The main disposals in 2023 represent the disposal of separate tangible assets in total acquisition value of TCZK 1 793 (residual value TCZK 0), disposal of tools and fixtures in total acquisition value of TCZK 1 856 (residual value TCZK 126) and disposal of models in total acquisition value of TCZK 27 281 (residual value TCZK 113).

As at 31 December 2024 the allowance for tangible assets amounted to TCZK 5 698 (2023: TCZK 5 698).

The Company uses machinery and equipment recorded at zero residual value, which were acquired in previous years under finance leases. As at 31 December 2024, their total cost amounts to TCZK 210 982 (2023: TCZK 210 982). The largest item is the gantry machining centre with the purchase price of TCZK 192 192.

**Right-of-use assets**

As at 31 December 2024 the Company presents two types of right of use items. The building (rented offices) with cost of TCZK 9 432 (net book value TCZK 5 259) and the cars with cost of TCZK 28 845 (net book value TCZK 14 980).

As at 31 December 2023 the Company presents two types of right of use items. The building (rented offices) with cost of TCZK 6 235 (net book value TCZK 3 495) and the cars with cost of TCZK 32 607 (net book value TCZK 12 794).

The leases have been booked according to the IFRS 16 since the year 2019.

**Pledged assets**

The Company does not have any pledged assets as at 31.12.2024 and 31.12.2023.

**10. Trade payables and Other liabilities**

Trade payables

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Trade accounts payable	1 482 378	878 423
Lease liabilities	8 321	7 460
Other payables	3 862	1 935
<b>Total</b>	<b>1 494 561</b>	<b>887 818</b>

**Ageing structure of the trade payables**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Payables before due	1 332 578	823 674
Payables overdue within 1 year	143 349	42 479
Payables overdue above 1 year	6 451	12 270
<b>Total</b>	<b>1 482 378</b>	<b>878 423</b>

Average credit period of trade payables is 36 days.

**Other liabilities**

Other liabilities consist of liabilities to the state, primarily VAT, liabilities to employees and liabilities from social security and health insurance.

**11. Other non-current liabilities**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Non-current lease liabilities	12 883	9 564
Other non-current trade liabilities (retention money)	10 151	11 990
<b>Total</b>	<b>23 035</b>	<b>21 554</b>

**12. Loans and borrowings**

In 2024 and 2023 the Company drew no loans and borrowings.

**13. Income tax**

Income tax is reported as follows in the profit or loss account:

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Current income tax	122 195	136 200
Income tax – adjustments from previous years	3 571	15 812
Deferred income tax	93 377	34 277
<b>Total</b>	<b>219 143</b>	<b>186 289</b>

As at 31 December 2024, the current tax assets amounted to TCZK 33 554, which comprises an estimate of an income tax liability for 2024 decreased by income tax advances paid (2023: current tax liability TCZK 85 795).

*Investment Incentives*

The Company did not utilize any tax relief in respect of investment incentives in 2024 (2023: TCZK 0).

The value of deferred tax reported in the financial statements as at 31 December 2024 and 31 December 2023 concerns the following items:

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	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>TCZK</b>	<b>TCZK</b>
Deferred tax asset + / liability -		
Property, plant and equipment, intangible assets	-51 953	-63 954
Receivables	6 345	9 059
Inventories	9 840	7 727
Stock Items on Projects	13 668	5 441
Long term contracts	-148 041	-42 164
Provisions	51 710	40 087
Untaken holiday, targeted benefits – payables	16 461	16 997
Social security and health insurance on bonuses	-	-
Revaluation of assets and liabilities	14 517	-3 621
Unpaid penalty	-11 679	-400
R&D own work capitalized	-68 690	-61 755
<b>Total net deferred tax asset (+) / liability (-)</b>	<b>-167 822</b>	<b>-92 583</b>
Increase (decrease) in equity	18 138	3 694
Income tax benefit (+) / expense (-) for period	-93 377	-34 277

The deferred tax liability increase in the amount of TCZK 93 377 was recorded as an increase of expenses. The change in deferred tax by TCZK 18 138 resulting from temporary differences from revaluation of assets and liabilities charged to equity, was not recorded as an income tax expense, but in Other comprehensive income.

The company is a payer of the top-up tax. The implementation of Pillar 2 processes is coordinated at the parent company level. In cooperation with the Doosan Group the Company has assessed applicability of Pillar 2 and the top-up tax and based on this assessment applied for the year ending 31 December 2024 the so-called safer harbor. As result the top-up tax had no effect on the current or deferred tax.

*Reconciliation of effective tax rate*

<b>TCZK</b>	<b>2024</b>		<b>2023</b>	
Profit/(loss) before tax	886 887		733 144	
Income tax using the domestic corporation tax rate of	21%	186 246	19%	139 297
Effect of income that is exempt from taxation and expense that are not deductible	3%	22 519	3%	20 823
Development costs Allowances	0%	-	0%	-
Tax incentive effect	0%	-	0%	-
Foreign Establishment	2%	14 430	1%	4 180
Adjustments recognised in the current year in relation to the current tax of prior years	0%	-4 052	2%	13 172
Tax rate change to 21% from 2024	0%	-	1%	8 817
<b>Total</b>	<b>25%</b>	<b>219 143</b>	<b>25%</b>	<b>186 289</b>

#### 14. Provisions

TCZK	31.12.2022	Additions	Disposals	31.12.2023	Additions	Disposals	31.12.2024
Warranty provisions	211 165	54 077	108 367	156 875	62 883	44 258	175 500
Other provisions	41 756	6 064	14 644	33 176	53 303	15 736	70 743
<b>Total</b>	<b>252 921</b>	<b>60 141</b>	<b>123 011</b>	<b>190 051</b>	<b>116 186</b>	<b>59 994</b>	<b>246 243</b>
Non-current part	35 890			46 500			47 388
Current part	217 031			143 551			198 855

Breakdown of disposals:

Warranty provisions:

- Use of provisions for originally specified purpose: TCZK 23 013 in 2024, TCZK 11 273 in 2023.
- Cancellation of provision: TCZK 21 245 in 2024, TCZK 97 094 in 2023.

Other provisions:

- Use of provisions for originally specified purpose: TCZK 15 736 in 2024, TCZK 14 644 in 2023.
- Cancellation of provision: TCZK 0 in 2024, TCZK 0 in 2023.

Other provisions include provisions for loss making projects and litigations. For a description of litigations refer to Note 27.

#### 15. Equity

##### Revaluation reserves

##### a) Revaluation of assets

The assets revaluation reserve arises on the revaluation of land. The revaluation is provided by valuation expert regularly once every two years.

TCZK	31.12.2024	31.12.2023
Opening balance	65 128	30 889
Revaluation increase	-	44 306
Deferred tax liability arising on revaluation of land	-	-10 067
<b>Closing Balance</b>	<b>65 128</b>	<b>65 128</b>

##### b) Revaluation of hedging reserves

Movement of revaluation of hedging reserves is disclosed in Note 25 Summary of derivative instruments.

##### c) Share capital

The share capital was reduced during the fiscal year. The share capital amounts to TCZK 1 450 as of 31 December 2024 (2023: TCZK 3 298 345). The share capital is fully paid. The reduction in share capital became effective upon the date of entry in the commercial register, i. e. 5 December 2024. Subsequently, on 13 December 2024, related obligations were settled by offsetting with a loan provided to the parent company in the amount of TCZK 1 050 000 and the remaining balance settled through the transfer of funds.

##### d) Dividend

The Company expects that the share in the profit or loss according to the statutory financial statements for 2024 (Czech accounting standards) proposed for distribution among shareholders will reflect the publicly proclaimed level in the public offering of the Company's shares at the beginning of 2025. The specific amount will be decided by the general meeting in accordance with the company's Articles of Association.

## 16. Revenues from goods, products and services and Other revenues

The Company has revenues in only one segment – Turbines.

### Revenues from goods, products and services

Revenues disaggregation by contract duration

TCZK	2024	2023
Long term - over one year	5 249 424	4 196 716
Short term - within one year	622 844	577 200
<b>Total</b>	<b>5 872 268</b>	<b>4 773 916</b>

Revenues disaggregation by main revenue streams

TCZK	2024	2023
New installation	4 308 708	3 388 927
Service	1 127 246	1 160 872
Long term service agreements	436 314	224 117
<b>Total</b>	<b>5 872 268</b>	<b>4 773 916</b>

Revenues disaggregation by geographies

TCZK	2024	2023
Europe (excluding Czech Republic)	2 209 163	1 894 788
Czech Republic	1 109 891	1 382 063
Asia	1 447 371	870 367
South and Central America	499 701	295 970
Africa	299 278	256 428
North America	287 225	64 358
Australia	19 639	9 942
<b>Total</b>	<b>5 872 268</b>	<b>4 773 916</b>

Remaining transaction price allocated to performance obligations from contract with customers that are not yet satisfied (Revenue Backlog) at the end of the reporting period:

TCZK	31.12.2024	31.12.2023
<b>Revenue backlog (at the end of period)</b>	<b>8 788 479</b>	<b>8 626 342</b>
Estimated recognition within 1 year after period end	3 581 341	3 770 525
Estimated recognition within 2-3 years after period end	2 683 364	2 416 762
Estimated recognition within 4+ years after period end	2 523 774	2 439 055

### Other revenues

Other revenues of TZCK 29 487 (2023: TCZK 22 846) include for example contractual penalties TCZK 17 438 and revenues from the sale of scrap TCZK 5 235.

## 17. Segment reporting

The Company has assessed its operating segments in accordance with IFRS 8 and concluded that the Company is having only one reportable operating segment. As described in the Note 16, the Company's revenues are only in one segment – Turbines, from which it earns revenues and incurs expenses. The Company operations are concentrated mainly in Pilsen, Czech Republic. The revenues are monitored by individual projects with customers, however, discrete financial information is available only on aggregate basis on which the Company's chief operating decision maker (CEO) is reviewing it.

**18. Personnel expenses**

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Wages and salaries	809 553	730 604
Social security and health insurance	271 623	245 535
Expenses for employee benefits	34 326	31 480
<b>Total personnel expenses</b>	<b>1 115 502</b>	<b>1 007 619</b>

Wages and salaries and number of employees in 2024:

	<b>Average number of employees</b>	<b>Wages and salaries</b>	<b>Social security and health insurance expenses</b>	<b>Other payroll expenses</b>
Employees	964	788 051	264 221	34 169
Directors	5	21 502	7 402	157
<b>Total</b>	<b>969</b>	<b>809 553</b>	<b>271 623</b>	<b>34 326</b>

Wages and salaries and number of employees in 2023:

	<b>Average number of employees</b>	<b>Wages and salaries</b>	<b>Social security and health insurance expenses</b>	<b>Other payroll expenses</b>
Employees	915	710 872	238 895	31 357
Directors	5	19 732	6 640	123
<b>Total</b>	<b>920</b>	<b>730 604</b>	<b>245 535</b>	<b>31 480</b>

**19. Other operating expenses**

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Taxes and fees	12 538	6 817
Receivables written off	19 586	7 411
Fines and penalties	11 786	16 251
Bank fees	10 248	9 244
Insurance	25 704	31 861
Other operating expense	24 865	16 006
<b>Total</b>	<b>104 727</b>	<b>87 590</b>

**20. Other gains and (losses)**

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Decrease (increase) in provisions	-55 974	62 940
Decrease (increase) in adjustments to assets	32 966	25 225
Net income from hedging operations	-78 628	101 752
Exchange rate gains/(losses) from operating activities	34 620	2 227
Other income from receivables	1 440	19 893
Other operating income	22 436	21 037
<b>Total</b>	<b>-43 140</b>	<b>233 074</b>

**21. State subsidies (R&D grants)**

In 2024 the Company credited to income a subsidy in the amount of TCZK 4 631 (2023: TCZK 7 633). The income is presented in other operating income in the section Other gains and losses.



## 22. Financial income (+), financial costs (-)

Financial income:

TCZK	2024	2023
Dividend, Income from financial assets	21 943	-
Exchange rate gains from cash and cash equivalents, short term financial instruments and loans	144 149	38 832
Gains from hedging operations on financial instruments	-	-
Interest revenues	240 537	248 975
<b>Total</b>	<b>406 629</b>	<b>287 807</b>

Financial costs:

TCZK	2024	2023
Exchange rate losses from cash and cash equivalents, short term financial instruments and loans	119 755	25 442
Losses from hedging operations on financial instruments	-	-
Interest expenses	1 625	1 336
<b>Total</b>	<b>121 380</b>	<b>26 778</b>

## 23. Transactions with related parties

### Parent and ultimate controlling party

Balances related to parent and ultimate controlling party are listed below.

### Transactions with key management personnel

Remuneration to members of key management personnel (executives) is included in personnel expenses in Note 0 (amounts related to Directors). There were no loans provided to statutory representatives in 2024 and 2023 and no other special benefits except standard benefits like company cars and mobile phones for private use, life insurance, etc. Total amount of such benefits is not significant.

### Loans granted

#### 2024

There are no loans at the end of 2024. The remaining loan from 2023 with a principal amount of TCZK 1 050 000 was repaid (see Note 15 point c). Annual interest income was TCZK 122 684.

#### 2023

There is one loan title remaining by end of 2023 with a principal amount of TCZK 1 050 000. It's a residual portion of the original CZK 1,5 bln loan agreed on 12.4.2022. At anniversary the expiration date has been extended until 12 April 2024. Interest rate is 1Y PRIBOR + 4,2 % p.a. Annual interest income TCZK 139 527. Due to scheduled repayment within 12 months it is stated as a current loan in 2023.

Other loans were fully cleared within 2023 through set-off against profit distribution of the Company.

### Trade receivables and payables

The following related party balances are included in the trade receivables and payables described in Notes 5 and 10 above.

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TCZK	Receivables as at		Payables as at	
	2024	2023	2024	2023
<b>Subsidiary:</b>				
ŠKODA POWER Private Limited (India)	20 840	522	8 823	8 112
<b>Companies controlled by Ultimate parent:</b>				
Doosan Digital Innovation, odštěpný závod	13	445	59 123	39 298
Doosan Power Systems SA (Luxembourg)	328 750	190 865	3 300	3 300
Doosan Turbomachinery (USA))	-	2 238	68 613	-
Doosan Lentjes (Germany)	473 188	154 357	16 050	-
Doosan Enerbility Co.Ltd. (Korea)	118 217	92 301	368 472	423 208
Doosan Power Systems Arabia (Saudi Arabia)	3 866	-	-	-
DOOSAN UKUDU POWER LLC (Guam)	1 969	-	-	-
<b>Total</b>	<b>946 843</b>	<b>440 728</b>	<b>524 381</b>	<b>473 918</b>

#### Sales and purchases

TCZK	Sales for period		Purchases for period	
	2024	2023	2024	2023
<b>Subsidiary:</b>				
ŠKODA POWER Private Limited (India)	57 381	9 178	29 337	22 881
<b>Companies controlled by Ultimate parent:</b>				
Doosan Enerbility Co.,Ltd (Korea)	639 068	672 651	10 659	15 305
Doosan Digital Innovation, odštěpný závod	384	367	176 210	139 287
Doosan Power Systems SA (Luxembourg)	138 398	190 864	-	2 233
Doosan Lentjes (Germany)	330 805	55 017	-	-
Doosan Turbomachinery Services (USA)	490	2 692	16 850	-
Doosan Business Research Institute (Korea)	-	-	8	4
Doosan Power Systems Arabia (Saudi Arabia)	6 340	-	-	-
DOOSAN UKUDU POWER LLC (Guam)	6 280	-	-	-
<b>Total</b>	<b>1 179 146</b>	<b>930 769</b>	<b>233 064</b>	<b>179 710</b>

Note: "Sales" comprise revenue from the sale of manufactured products, revenue from the sale of services, revenue from the sale of fixed assets and other operating revenue and interest income. "Purchases" comprise purchases of material, energy consumption, purchases of services, other operating expenses and purchases of inventories.

## 24. Financial instruments and risk management

#### Categories of financial instruments

TCZK	31.12.2024	31.12.2023
<i>Financial assets</i>		
Cash and cash equivalents	852 440	2 040 103
Derivatives in designated hedge accounting relationships (FVTPL)	9 318	49 071
Loans and trade receivables	1 888 164	2 594 878
<b>Total</b>	<b>2 749 922</b>	<b>4 684 052</b>
<b>TCZK</b>	<b>2024</b>	<b>2023</b>
<i>Financial liabilities</i>		
Derivatives in designated hedge accounting relationships (FVTPL)	144 844	56 282
Trade payables	1 517 596	909 372
<b>Total</b>	<b>1 662 440</b>	<b>965 654</b>

The Company is exposed to the following risks resulting from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

The management of the Company is generally responsible for setting and controlling the financial risk system management. The development and estimate of the effects resulting from individual risks is regularly assessed.

### Credit risk

A credit risk is a risk that a customer or other party to a financial arrangement does not fulfil its contractual liabilities and obligations. The risk primarily results from financial insolvency or a reluctance of the debtor to pay off liabilities to the Company, or loans provided by the Company.

The exposure to the credit risk depends mainly on the characteristics of each customer. Potential risk is assessed primarily on the basis of geographical factors (in the financial risk management system, areas with increased sensitivity towards credit risk are identified). In general, the credit risk is assessed in relation to the individual customers' payment history.

In new contracts and engagements the solvency of each customer is assessed. Where necessary, the future cash flows are secured by required advances or bank guarantees, and in specific cases, receivables are also insured.

A maximum credit limit is set for every customer. Exceeded limits must be evaluated and approved by the management of the Company.

A credit risk is hedged by the establishment of adjustments or extraordinary receivables written off.

Financial assets with a derivative trading nature are not evaluated for credit risk because they are measured at FVTPL and are not in scope of ECL calculation.

Loans in the amount of TCZK 0 (2023: 1 050 000) are fully included in Stage 1, no amounts in Stage 2 and Stage 3. ECL assessment was performed and is considered immaterial.

Detail information about Trade receivables is included in Note 5.

### Liquidity risk

Liquidity risk is the risk that the Company would not be able to pay its financial liabilities and obligations when they mature. The Company systematically manages its cash flow so that it is able to avoid delays in payments of its obligations, even when there is increased pressure from suppliers and other creditors.

The main liquidity management tools are received advances used to cover costs relating to the realisation of the projects, allocation of the surplus funds to highly liquid bank instruments (term and bill deposits, repurchase papers), and reaching agreements with the suppliers regarding the maturity dates.

### 2024

<b>TCZK</b>	Carrying amount	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years
<b>Assets</b>					
Trade receivables	1 888 164	1 617 130	227 883	43 151	-
Loans	-	-	-	-	-
Derivatives in designated hedge accounting relationships (FVTPL)	9 318	1 399	6 344	1 575	-
<b>Total assets</b>	<b>1 897 482</b>	<b>1 618 529</b>	<b>234 227</b>	<b>44 726</b>	<b>-</b>
<b>Liabilities</b>					
Trade payables	1 517 596	809 986	684 575	23 035	-
Derivatives in designated hedge accounting relationships (FVTPL)	144 844	26 120	49 837	64 527	4 360
<b>Total liabilities</b>	<b>1 662 440</b>	<b>836 106</b>	<b>734 412</b>	<b>87 562</b>	<b>4 360</b>
<b>Net liquidity risk position</b>	<b>235 042</b>	<b>782 423</b>	<b>-500 185</b>	<b>-42 836</b>	<b>-4 360</b>

## 2023

TCZK	Carrying amount	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years
<b>Assets</b>					
Trade receivables	1 544 878	1 038 108	376 201	130 569	-
Loans	1 050 000	-	1 050 000	-	-
Derivatives in designated hedge accounting relationships (FVTPL)	49 071	9 741	26 638	12 692	-
<b>Total assets</b>	<b>2 643 949</b>	<b>1 047 849</b>	<b>1 452 839</b>	<b>143 261</b>	<b>-</b>
<b>Liabilities</b>					
Trade payables	909 372	465 952	421 178	21 781	461
Derivatives in designated hedge accounting relationships (FVTPL)	56 282	6 376	25 436	24 470	-
<b>Total liabilities</b>	<b>965 654</b>	<b>472 328</b>	<b>446 614</b>	<b>46 251</b>	<b>461</b>
<b>Net liquidity risk position</b>	<b>1 678 295</b>	<b>575 521</b>	<b>1 006 225</b>	<b>97 010</b>	<b>-461</b>

## Market risk

Market risk results from changes in market prices, which may be caused by changes of exchange rates and interest rates. The Company is exposed to risk due to trades in EUR, USD and PLN.

The main instruments for market risk elimination are derivatives, which are established for hedging exchange rate volatility in relation to expected future cash flows. The Company hedges foreign currency risks at 100% of free cash position from expected cash flows in EUR, USD and PLN for the contract period.

For long-term contracts, natural hedging is applied through the use of advances received in the currency in which the contract is concluded.

Interest rates risk is eliminated by fixed interest rate agreements. The Company does not conclude any commodity contracts except where the contract can be settled using the relevant commodity (binding orders of a fixed minimum inventory quantity, for a specific period).

## Interest rate risk management

The Company does not have any loans, it is financed solely by equity. It generates some interest profit from the loans to the parent company and short-term investments. But interest revenues are negligible to revenues from core business activities. The Company is not exposed to significant risk in case of change of market interest rates.

## Capital risk management

The Company is not subject to any externally imposed capital requirements and is fully financed by equity.

### Foreign currencies

Summary of financial instruments in currencies as at 31 December 2024:

TCZK	USD	EUR	CZK	Other	Total
Financial derivatives	-	9 318	-	-	9 318
Loans	-	-	-	-	-
Trade receivables	263 953	834 919	776 789	12 503	1 888 164
Cash, cash equivalents	124 092	295 908	288 231	144 209	852 440
<b>Total financial assets</b>	<b>388 045</b>	<b>1 140 145</b>	<b>1 065 020</b>	<b>156 712</b>	<b>2 749 922</b>
Other non-current liabilities	371	5 989	16 675	-	23 035
Financial derivatives	69 679	75 165	-	-	144 844
Trade payables	9 663	78 180	1 350 114	56 604	1 494 561
<b>Total financial liabilities</b>	<b>79 713</b>	<b>159 334</b>	<b>1 366 789</b>	<b>56 604</b>	<b>1 662 440</b>

Summary of financial instruments in currencies as at 31 December 2023:

TCZK	USD	EUR	CZK	Other	Total
Financial derivatives	16 500	32 571	0	0	49 071
Loans	0	0	1 050 000	0	1 050 000
Trade receivables	206 918	790 354	546 954	652	1 544 878
Cash, cash equivalents	99 217	355 563	1 225 986	359 337	2 040 103
<b>Total financial assets</b>	<b>322 635</b>	<b>1 178 488</b>	<b>2 822 940</b>	<b>359 989</b>	<b>4 684 053</b>
Other non-current liabilities	148	5 925	15 481	0	21 554
Financial derivatives	5 809	50 473	0	0	56 282
Trade payables	2 625	91 332	789 624	4 237	887 818
<b>Total financial liabilities</b>	<b>8 582</b>	<b>147 730</b>	<b>805 105</b>	<b>4 237</b>	<b>965 654</b>

### Sensitivity analysis – currency risk

As at 31 December 2024 (31 December 2023 respectively) a 10 percent appreciation (depreciation) of the Czech crown vis-à-vis the currencies listed below would have resulted in the increase (decrease) of TCZK 96 343 (2023: TCZK 90 942) in the profit or loss account, provided that other variables (in particular, the interest rate) remain unchanged.

The Company mitigates its currency risk exposure by concluding currency derivative transactions with the banks, thus closing its open position. The actual effect of exchange rate changes would be influenced by such a hedge.

FX rate as at 31 December 2024		+10 %	-10 %
CZK/EUR	25,185	27,704	22,667
CZK/GBP	30,378	33,416	27,340
CZK/PLN	5,890	6,479	5,301
CZK/USD	24,237	26,661	21,813

FX rate as at 31 December 2023		+10 %	-10 %
CZK/EUR	24,725	27,198	22,253
CZK/GBP	28,447	31,292	25,602
CZK/PLN	5,694	6,263	5,125
CZK/USD	22,376	24,614	20,138

Doosan Škoda Power a.s.  
NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024  
PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY EU

2024		Original curr.	TCZK	TCZK +10 %	Change	TCZK -10 %	Change
Short-term and long-term receivables	TEUR	33 151	834 919	918 410	83 492	751 427	-83 492
	TGBP	0	0	0	0	0	0
	TUSD	10 890	263 953	290 348	26 395	237 557	-26 395
Short-term and long-term payables	TEUR	3 342	84 169	92 586	8 417	75 752	-8 417
	TGBP	1 358	41 239	45 362	4 124	37 115	-4 124
	TUSD	414	10 034	11 038	1 003	9 031	-1 003
Net currency risk	TEUR	29 809	750 749	825 824	75 075	675 674	-75 075
	TGBP	-1 358	-41 239	-45 362	-4 124	-37 115	4 124
	TUSD	10 476	253 919	279 310	25 392	228 527	-25 392
<b>Total</b>			<b>TCZK</b>	<b>96 343</b>	<b>TCZK</b>	<b>-96 343</b>	

2023		Original curr.	TCZK	TCZK +10 %	Change	TCZK -10 %	Change
Short-term and long-term receivables	TEUR	32 542	804 612	885 073	80 461	724 150	-80 461
	TGBP	4	104	115	10	94	-10
	TUSD	9 247	206 918	227 610	20 692	186 227	-20 692
Short-term and long-term payables	TEUR	3 934	97 257	106 982	9 726	87 531	-9 726
	TGBP	77	2 181	2 399	218	1 963	-218
	TUSD	124	2 773	3 050	277	2 496	-277
Net currency risk	TEUR	28 609	707 355	778 090	70 735	636 619	-70 735
	TGBP	-73	-2 077	-2 285	-208	-1 869	208
	TUSD	9 123	204 145	224 560	20 415	183 731	-20 415
<b>Total</b>			<b>TCZK</b>	<b>90 942</b>	<b>TCZK</b>	<b>-90 942</b>	

Derivative instruments:

	TCZK +10%			TCZK -10%	
2024	MtM value	MtM value	Additional effect	MtM value	Additional effect
EUR	-65 847	-436 205	-370 358	304 511	370 358
USD	-69 679	-210 759	-141 080	71 401	141 080
<b>Total</b>	<b>-135 526</b>	<b>-646 964</b>	<b>-511 438</b>	<b>375 912</b>	<b>511 438</b>

	TCZK +10%			TCZK -10%	
2023	MtM value	MtM value	Additional effect	MtM value	Additional effect
EUR	-17 902	-334 668	-316 766	298 864	316 766
USD	10 691	-81 033	-91 724	102 415	91 724
<b>Total</b>	<b>-7 211</b>	<b>-415 701</b>	<b>-408 490</b>	<b>401 279</b>	<b>408 490</b>

## 25. Summary of derivative instruments

Since 2004, the Company has been continually concluding forward contracts with Czech commercial banks, currently with Commerzbank Aktiengesellschaft, pobočka Praha, Česká spořitelna, a.s., Československá obchodní banka, a. s., Komerční banka, a.s., Raiffeisenbank a.s. and Všeobecná úvěrová banka a.s., pobočka Praha, which are related to transactions involving the sale and purchase of EUR and USD. The Company uses these derivatives to hedge future cash flows and the fair values of some financial assets.

The Company classifies financial derivatives as hedging derivatives and derivatives for trading. The resulting receivables or payables arising from them are classified as either current or non-current according to the effective date of the contract.

### Fair value

The carrying value of cash and cash equivalents, receivables, advances, other assets, payables and current loans is close to their fair value with regard to the current character of these items.

### Hedging

The Company hedges future cash flows from long term contracts concluded in foreign currencies (EUR, USD) against currency risks. The Company also hedges the fair value of financial assets and liabilities arising from these contracts, against currency risks, until the financial assets are realised. Forward and swap transactions are used for the purpose of hedging.

Hedging instruments – outstanding contracts							
31.12.2024				31.12.2023			
	Nominal value (TFX)	Nominal value (MCZK)	Fair value (TCZK)	AVG rate	Nominal value (TFX)	Nominal value (MCZK)	Fair value (TCZK)
EUR	147 055	3 690	-65 847	25,09	128 116	3 188	-17 902
USD	58 208	1 333	-69 679	22,90	40 992	928	10 691
<b>Total</b>		<b>5 023</b>	<b>-135 526</b>			<b>4 116</b>	<b>-7 211</b>

Nominal value and other terms of hypothetical derivative (hedged item) used for measurement of hedge effectiveness is not significantly different from the terms and nominal value of the hedging instruments in the above table.

The fair value of derivative instruments, which fulfilled hedge accounting requirements, as at the balance sheet date was TCZK -135 526 (2023: TCZK -7 211).

The fair value of derivative instruments, which did not fulfil hedge accounting requirements, as at the balance sheet date was TCZK 0 (2023: TCZK 0). There were no significant derivatives in the periods under review that were reclassified due to failing to meet the conditions of high-efficiency criteria.

TCZK	Fair value of hedging instruments			
	31.12.2024		31.12.2023	
	Receivable	Payable	Receivable	Payable
Future cash flows hedging				
<i>Within 1 year</i>	7 743	75 957	36 379	31 812
<i>From 2 to 5 years</i>	1 575	64 527	12 692	24 470
<i>Over 5 years</i>	-	4 360	-	-
	9 318	144 844	49 071	56 282
<b>Total charged to equity</b>	<b>-90 011</b>	<b>-</b>	<b>-22 153</b>	<b>-</b>
<b>Total charged to profit or loss account</b>	<b>-45 516</b>	<b>-</b>	<b>14 942</b>	<b>-</b>
<b>Total charged</b>	<b>-135 527</b>	<b>-</b>	<b>-7 211</b>	<b>-</b>

### Movement of Revaluation of hedging reserve

Opening balance 1.1.2024	13 623
Gain/(loss) arising on changes in fair value of hedging instruments during the period	-80 563
Related income tax	16 918
(Gain)/loss reclassified to profit or loss	-5 810
Related income tax	1 220
Closing balance 31.12.2024	-54 612

	TCZK
Opening balance 1.1.2023	74 103
Gain/(loss) arising on changes in fair value of hedging instruments during the period	-118 352
Related income tax	22 142
(Gain)/loss reclassified to profit or loss	44 111
Related income tax	-8 381
Closing balance 31.12.2023	13 623

### 26. Commitments arising from capital expenditures

As at 31 December 2024 the Company had commitments in respect of capital expenditures arising from concluded contracts amounting to TCZK 5 731 (2023: TCZK 4 593).

### 27. Litigations

The Company does not lead any material litigation.

### 28. Environmental liabilities

The Company does not operate any technology that could give rise to the ecological risk.

### 29. Provided guarantees and other conditional obligations

#### a) Overview of bank guarantees

In accordance with the contract terms, the Company is liable for issued bank guarantees for efficient fulfilment of projects, guarantee period, and advance refunds.

- Československá obchodní banka, a. s. has issued bank guarantees of TCZK 347 929, TEUR 30 789, TUSD 6 229, TPLN 52 085, TMXN 872 with maturity up to 3 November 2029.
- Komerční banka, a.s. has issued bank guarantees of TCZK 421 078 and TEUR 1 610 with maturity up to 7 December 2026.
- Raiffeisenbank a.s. has issued bank guarantees of TCZK 31 224, TEUR 21 277 and TUSD 3 372 with maturity up to 12 December 2029.
- Všeobecná úvěrová banka, a.s., pobočka Praha has issued bank guarantees of TCZK 105 452 and TEUR 5 088 and TUSD 14 306 with maturity up to 23 July 2026.

#### b) Overview of nonbank guarantees

In accordance with the contract conditions the Company issued nonbank guarantees for advance refunds, efficient fulfilment of projects and for covering liabilities in warranty period in the amount of TCZK 192 591 in favour of Doosan Enerbility Co., Ltd

#### c) Liabilities covered by a right of pledge

The Company has no liabilities covered by a right of pledge.

#### d) Overview of issued promissory notes

The Company has no bank guarantee covered by promissory notes.



e) Guarantees

The Company provides no guarantees for bank guarantees and letter of credits facilities of related parties as of 31.12.2024.

**30. Investments in group undertakings and associated companies**

Company evaluates investment to affiliates as costs of acquisition less adjustment.

As at 31 December 2024:

Company name	Share in registered capital %	Acquisition cost TCZK	Impairment losses and other adjustments TCZK	Net book value TCZK
Guangzhou Škoda-Jinma Ltd. Co. (China)	5	100	100	0
ŠKODA POWER Private Limited (India)	100	3 280	187	3 093
<b>Total</b>		<b>3 380</b>	<b>493</b>	<b>3 093</b>

As at 31 December 2023:

Company name	Share in registered capital %	Acquisition cost TCZK	Impairment losses and other adjustments TCZK	Net book value TCZK
Guangzhou Škoda-Jinma Ltd. Co. (China)	5	100	100	0
ŠKODA POWER Private Limited (India)	100	3 280	421	2 859
<b>Total</b>		<b>3 380</b>	<b>521</b>	<b>2 859</b>

The shares of the above companies are not listed.

During 2024 there were no changes in ownership.

In 2024 the Company received dividend from ŠKODA POWER Private Limited in the amount of TCZK 21 943 (2023: TCZK 0).

**31. Changes and restatements in 2023 financial statements**

The Company made adjustments and changes in 2023 financial statements to reflect new financial statements structure used in consolidated financial statements issued for the first time in September 2024 (for years 2021-2023). Changes were primarily connected to renaming, merging and splitting some financial statements lines and they did not have any impact on Equity nor Profit for the period.

**Statement of financial position:**

- Line " Amounts due from customers" was renamed to "Contract Assets"
- Work in Progress (TCZK 142 342) was reclassified from "Inventory" to "Contract Assets"
- Line "Fixed Assets under Construction" (TCZK 231 950) was removed and split between Tangible and Intangible Assets (TCZK 26 407, resp. TCZK 205 543)
- Lines "Amount due to customers under long term contracts" and "Advances Received" merged to new line "Contract Liabilities"
- Advances to Inventory (TCZK 211 518) was reclassified from "Inventory" to "Other assets" and netted with Accruals (Trade liabilities)
- Line "Other non-current liabilities" was split into "Other non-current liabilities" (TCZK 21 554) and "Non-current financial derivatives" (TCZK 24 470)
- Line "Trade and other payables" was split into "Trade payables" (TCZK 1 099 335) and "Other liabilities" (TCZK 307 067)

- Line "Trade and other receivables" was split into "Trade receivables" (TCZK 1 384 604) and "Other assets" (TCZK 27 032)
- Allowances to Contract assets (TCZK 13 034) were reclassified from "Trade receivables" line to "Contract assets" line

#### **Statement of Profit or Loss**

- Change in Work in Progress (TCZK 106 758) was reclassified from Operating expenses to Revenues - connected to Work in Progress reclassification in Balance sheet

#### **Cash Flow Statement**

- Line "Interest paid, loan charges and dividends (including withholding tax)" renamed to "Paid dividends"
- Reclassification of interest received related to intercompany loan from Operating activities to Investing activities (TCZK 240 522)
- Reclassifications in working capital lines connected to the changes in Statement of financial position

### **32. Subsequent events**

#### **a) Company transformation – legal form change**

The Company changed its legal form from limited liability company (s.r.o.) to joint stock company (a.s.) with effectivity from 1 January 2025 based on project of transformation approved on 22 November 2024. The change in the Commercial Register was recorded on 1 January 2025. Share capital was divided into 29 000 000 shares in nominal value of CZK 50 per each.

In context of this change the company established Board of directors instead of executives, where CEO Youngki Lim is the Chairman of the Board of Directors and CFO Sanghoun Park is the Vice Chairman of the Board of Directors; two other former executives are members of the Board of Directors. Those changes were entered into the Commercial Register on 6 January 2025. The Company established Supervisory board and Audit committee as well.

#### **b) Adjustment of Organizational structure**

As of 1 January 2025 the company adjusted the Organizational structure: CFO, COO, Director of HR, Director of Operations and Head of Strategy & Marketing are accountable directly to the CEO. Directors of Sales, Service and Head of Technical Development are accountable to the COO. Directors of Execution, Turbogenerator Product and Procurement are accountable to Director of Operations.

#### **c) Cancellation of reserve fund**

The Company cancelled and distributed the Reserve fund and off-set against accrued interest from the loan provided to DPS SA in the amount of TCZK 312 910. The decision was made by Board of Directors on 17 January 2025.

#### **d) IPO and increase of Share capital**

The company announced Intention to float on 15 January 2025 followed by IPO announcement and publishing of Prospectus on 27 January 2025. Within IPO company also increased share capital by CZK 145 000 000 (to CZK 1 595 000 000) through issuance of 2 900 000 new shares in nominal value of CZK 50 per each. IPO was completed on 6 February 2025 and stabilization period was finished by settlement of over-allotment in full on 26 February 2025. 10 527 000 pieces of shares representing 33 % are in free float traded on Prague Stock Exchange. Difference between share price of newly issued shares executed within IPO (240 CZK per piece) and nominal share price (50 CZK per piece) further decreased by IPO costs is recognized as share premium.

In Pilsen on 24 April 2025

**Signature of authorised representatives:**

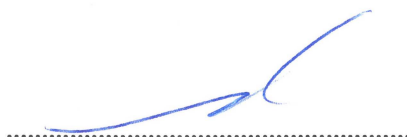
**Name:** Sanghoun Park

Youngki Lim

**Position:** Vice Chairman of the Board of Directors

Chairman of the Board of Directors

**Signature:**



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