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**FOR IMMEDIATE RELEASE**

## **Doosan Škoda Power announces its intention to carry out an Initial Public Offering and list its shares on the Prague Stock Exchange**

**Prague (15 January 2025)** — Doosan Škoda Power a.s., ("Doosan Škoda Power" or the "Company"), a leading power equipment, turbine manufacturer and engineering solutions provider based in the Czech Republic, announces intention to conduct an Initial Public Offering of its shares (the "Offering") and their subsequent listing on the Prime Market of the Prague Stock Exchange (the "PSE"). Detailed information about the Offering, if made, will be published in a prospectus once approved by the Czech National Bank (the "Prospectus").

Commenting on today's announcement, **Youngki Lim**, Chairman of the Board of Directors and Chief Executive Officer of Doosan Škoda Power, said: *"As an engineering company with more than a century of tradition, strong roots and solid plans, it is an honour for us to be introduced to the Czech capital market and to link our future even more closely to the development of the energy sector and the entire economy of the CEE region."*

### **Potential Offering Highlights**

Should Doosan Škoda Power proceed with the Offering, the current expectation is that:

- The Offering would comprise up to the equivalent of approximately 21.5 – 26.5% of existing shares of the Company from the holdings of Doosan Power Systems S.A. (the "Selling Shareholder") and up to the equivalent of approximately 10% – 5% of ordinary shares to be issued by the Company. In addition, the Selling Shareholder would provide up to an additional 3.5% of the existing shares to cover potential over-allotments. In any case, not more than 33.33% of the post-capital increase number of Shares will be sold in the Offering.
- The Offering would consist of a public offering to retail investors in the Czech Republic, private placements to certain institutional investors outside of the United States in reliance on Regulation S, and an offering to eligible employees of the Company in the Czech Republic.

- Application for the admission of all the Company's registered shares to the Prime Market (the "Admission") of the PSE will be made by the Company.
- After completion of the Offering, the Selling Shareholder would maintain a significant majority shareholding in the Company of not less than 66.67%.
- The Company intends to use the net proceeds of the Offering primarily for the improvement of its overall capability and competitiveness. It may include mid-term investments in new machines and facilities to further improve the efficiency of the production process, digitization and information technology focused on improving the Company's efficiency and/or profitability, such as remote-monitoring of installed fleets and production-flow management solutions, research and development for future applications; and minor ramp-up investments into generator rotors production.
- With respect to the Offering, Raiffeisen Bank International AG, Raiffeisenbank a.s., and WOOD & Company Financial Services a.s., are acting as the Joint Global Coordinators. In addition, Raiffeisenbank a.s., WOOD Retail Investments a.s., and J&T BANKA, a.s, shall act as the agents for the purposes of the retail offering and Raiffeisenbank a.s. shall act as the agent for the purposes of the employee offering.
- In connection with the Offering, each of the Company and the Selling Shareholder is expected to agree to lock-up arrangements restricting the disposal of shares of the Company for a period of 360 days following settlement of the Offering, subject to waiver by the Joint Global Coordinators and certain customary exceptions. Employees, directors and members of the supervisory board of the Company participating in the proposed employee offering will be subject to a lock-up period of 360 days.
- For the purposes of the Offering and Admission of the shares of the Company to trading on the Prime Market of the PSE, the Prospectus will be submitted for approval to the Czech National Bank as the competent authority under the Prospectus Regulation (EU) 2017/1129. The Prospectus will supersede this announcement in its entirety. The Prospectus approval process is ongoing and will include full details on the Offering and its expected timetable. Once approved, the Prospectus will be published and made available at the Company's website (<https://www.doosanskodapower.com/en/>).

### Q3 2024 and FY 2023 Financial Results Highlights

In the period from 1 January 2024 to 24 September 2024, the Company generated revenues of CZK 3,932 million, profit for the period of CZK 355 million and EBITDA of CZK 401 million. In 2023, the Company generated total revenues of CZK 4,811 million, profit for the period of CZK 559 million and EBITDA of CZK 662 million.

#### *Selected information from the consolidated income statements*

	For the period from 1 January to 24 September <sup>1</sup>		For the year ended 31 December		
	2024	2023	2023	2022	2021
	(unaudited)		(audited)		
	(CZK thousands)				
Revenues	3,932,148	3,154,738	4,810,763	4,112,773	3,546,327
Operating profit	251,559	248,087	483,028	464,383	232,036
Profit before income tax	457,831	467,445	750,051	730,200	219,122
Profit for the period	355,445	357,196	559,344	575,791	189,294

<sup>1</sup> Published semi-annual results in future will follow regulatory principles, i.e. will reflect month-end date.

## About Doosan Škoda Power

The Company is one of the leading steam turbine manufacturers providing engineering, design, manufacture, management, procurement and construction of steam turbines and equipment relevant to turbine machine halls for customers around the world. It offers a power output spectrum that spans from three to 1,300 MW.

The Company offers an extensive selection of cutting-edge turbine designs, products and services tailored for the energy generation sector as well as long-term service agreements and retrofitting programs to ensure the ongoing performance and modernization of energy generation equipment.

The Company provides its products and services to customers who operate in several sectors including waste-to-energy, utilities, pulp and paper, mining, refinery, steel works and the chemical industry. The Company's three main revenue streams include: (i) new installations of the Company's products; (ii) service activities including maintenance, repair and overhaul on a case-by-case basis and (iii) long-term service agreements. As a supplier to EPC providers, the Company underscores its commitment to be an energy transition enabler supporting the global demand for energy.

The Company's main customers include ČEZ, Energetický a průmyslový holding, Orlen, Hitachi Zosen Inova, Acciona, Fortum Oyj and TSK Electronica y Electricidad. Regionally, the Company's key markets include the Czech Republic, Europe and Asia.

The Company markets and sells its products under the Doosan brand, a registered trademark of the Company's ultimate parent company Doosan Co., Ltd. based in the Republic of Korea, as well as under the Škoda brand, a registered trademark of the Company.

The Company is headquartered, and its production facility is based in the Czech Republic, concentrating production, engineering, research and development and management under one roof, supported by the Company's subsidiary in India. Building upon the legacy of the original Škoda Works (In Czech: *Škodovy závody*), the Company boasts a history spanning over a century in the Czech Republic.

The Company employs over 950 employees in the Czech Republic (mainly in Pilsen) and ca 35 employees in India.

## Key Company Highlights

The Company believes its key strengths are as follows:

- One of the leading global steam turbine original equipment manufacturers (OEM), having delivered more than 576 turbine units since 1960 representing in aggregate approximately 56 GW in power output.
- Integral part of the Doosan Group, particularly aligned with Doosan Enerbility Co., Ltd., registered in the Republic of Korea (Doosan Enerbility), which is one of the leading energy companies in the world, supplying power and water to 40 countries worldwide, with its core business focus on nuclear power, CCPP, wind power, desalination, gas turbines and new business projects, including fuel cells, hydrogen and ammonia co-firing solutions.
- Research and development expertise with a total of 55 patents and five utility models worldwide providing ability to deliver tailor-made solutions to its customers with an output of up to 1,300 MW per unit.

- Solid history of robust financial performance, characterized by growth and profitability. Between 2021 and 2023, it achieved a steady growth in revenues with a compound annual growth rate (CAGR) of 16.48 per cent. Between 2021 and 2023, the Company also increased its profit for the period from CZK 189 million in 2021 to CZK 576 million in 2022 and CZK 559 million in 2023.
- Effective project handling and backlog enabling it to manage over 60 projects (including both projects in execution phase and projects in warranty phase) with an aggregate value of up to EUR 1.2 billion simultaneously. Considering the industry-specific long-term project periods, particularly in the nuclear energy sector where project life cycles can extend up to 70 years, the Company maintains a substantial project pipeline, which ensures a consistent revenue stream for future years.

## **Business Strategy**

The Company aspires to become a global energy transition enabler with steam turbines as the Company's core product. The Company's strategy revolves around delivering advanced steam turbines engineered for a variety of clean energy applications, such as waste-to-energy, biomass, CCPP, traditional large nuclear power, concentrated solar power, and diverse industrial uses, all designed for high efficiency and flexibility.

The Company aims to address future energy trends with its steam turbines for small modular reactors (SMRs) and energy storage systems, including air turbines. The Company's organic Rankine cycle solutions optimize waste heat recovery and support carbon dioxide applications, showcasing its commitment to leading the next generation of energy technologies.

Additionally, the Company's comprehensive service offerings include strong support for both OEM and non-OEM systems. The Company also provides long term service agreements, as well as retrofits and modernizations, ensuring enhanced performance and longevity of energy systems.

Through its strategic initiatives, the Company is dedicated to delivering sustainable and innovative energy solutions.

Doosan Enerbility intends to promote the Company as a European hub of the Doosan Group for the production and servicing of two-pole air-cooled generators, gas turbines, and hydrogen combustion turbines.

The Company seeks to capitalize on the opportunities arising from the transition and increased focus of numerous European nations on nuclear energy. This includes the Company's cooperation with the EPC provider Korea Hydro & Nuclear Power Co., Ltd., who was selected as the preferred supplier of two new nuclear power plant units at the Dukovany power plant in the Czech Republic in July 2024.

To achieve further growth, the Company believes that it is essential to enhance its brand recognition outside of Europe and to pursue further territorial expansion. The Company is proactive in enhancing its emerging brand presence and expanding its local offices in non-European regions, such as working closely with Doosan Turbomachinery Services, Inc. to expand the Company's non-OEM services activities in the US.

The Company is also placing greater emphasis on waste-to-energy and biomass projects, which have become the preferred renewable source to reduce carbon dioxide emissions.

## ESG and Corporate Social Responsibility

The Company engages actively with communities where it operates and supports them through volunteering, internships and donations. The Company also contributes to charitable projects, non-profit organizations, foundations, interest groups and sport clubs. The three Corporate Social Responsibility pillars of the Company are: science, technology, engineering and mathematics (STEM), sustainability and community work.

The Company ensures that it manages its supply chain to minimise its impact on the environment, while striving to make its manufacturing practices responsible. It also makes the safety of its employees and customers one of its main priorities and promotes its wide clean energy product portfolio.

The Company is committed to maintaining strong connections with the communities surrounding its operational sites, particularly within the city and region of Pilsen. In 2024, the Company received the distinction of being voted the third-best employer among businesses with up to 5,000 employees in the Pilsen region, solidifying its status as an outstanding employer within the area.

## The Selling Shareholder

All Existing Shares representing the Company's entire registered capital are held by Doosan Power Systems S.A., incorporated in the Grand Duchy of Luxembourg. The Selling Shareholder is fully owned by its immediate parent company, Doosan Enerbility ("Doosan Enerbility"), listed on the Korea Stock Exchange. A total of 30.39 per cent. of shares in Doosan Enerbility are held by Doosan Co., Ltd. registered in the Republic of Korea (the "Major Shareholder"). There are no shareholders of the Major Shareholder owning more than 25 per cent. of its shares. The ultimate beneficial owners of the Company are Mr. Jeong won Park, Mr. Minchul Kim, Mr. Hongsung Moon, Mr. Woonggeol Yoon, Mr. Kyungwook Hur, Mrs. Hye Sung Kim and Mr. Sun Hyun Park.

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## Glossary

*CAGR – Compound Annual Growth Rate*

*CCPP – Combined Cycle Power Plant*

*EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation (= profit for the period plus income tax expense plus interest expenses less interest revenues plus depreciation & amortization)*

*EPC – Engineering, Procurement and Construction contract*

*OEM – Original Equipment Manufacturer*

*non-OEM – Not the Original Equipment Manufacturer*

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The Shares referred to herein may not be offered or sold in the United States (including its territories and possessions, any State of the United States and the District of Columbia) unless registered under the US Securities Act of 1933 (the "**Securities Act**") or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The Shares have not been, and will not be, registered under the Securities Act, or applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. There will be no public offer of the Shares in the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada or Japan. Any Shares may only be offered in offshore transactions in compliance with Regulation S under the Securities Act.

In member states of the European Economic Area (the "**EEA**") other than the Czech Republic, this announcement and any offer if made subsequently is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Regulation (Regulation (EU) 2017/1129) ("**Qualified Investors**"). In the United Kingdom this announcement and any offer if made subsequently is directed exclusively at persons who are "qualified investors" within the meaning of the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who fall within Article 49(2)(a) to (d) of the Order; or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to herein as "**Relevant Persons**"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with: (i) in member states of the EEA other than the Czech Republic, Qualified Investors; and (ii) in the United Kingdom, Relevant Persons.

This announcement and its contents must not be acted on or relied upon (i) in the United States; (ii) in the United Kingdom, by persons who are not Relevant Persons; or (iii) in any Member State of the EEA other than the Czech Republic, by persons who are not Qualified Investors. The communication of this announcement (i) in the United States; (ii) in the United Kingdom, to persons who are not Relevant Persons; or (iii) in any Member State of the EEA other than the Czech Republic, to persons who are not Qualified Investors, is unauthorised and may contravene applicable law.

This announcement may constitute or include forward-looking statements, which are based on current expectations, projections and assumptions about future events. Forward-looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "forecast", "project", "plan", "will", "may", "continues", "should" and similar expressions. These forward-looking statements reflect, at the time made, the Company's beliefs, intentions and current targets/aims concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records (and those of other members of the group) and other data available from third parties, the Company's investments and its business strategy, regarding, among other matters, relevant industry, regulatory and economic trends and the Company's ability to successfully develop its business, fund and carry out its growth plan, meet its targets and deliver on its backlog. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company or the industry to differ materially from those results expressed or implied in this announcement by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. No statement in this announcement is intended to be nor may be construed as a profit forecast.

Each of Raiffeisen Bank International AG, Raiffeisenbank a.s. and WOOD & Company Financial Services, a.s. (together, the "**Banks**") and the Company, and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any purchase of Shares in the proposed Offering should be made solely on the basis of the information contained in the Prospectus to be issued by the Company in connection with the Offering. The information in this announcement is subject to change.

The Banks are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. None of the Banks will regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Banks and any of their affiliates, may take up a portion of the Shares in the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Shares and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be

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