

**Doosan Škoda Power a.s.**

**INDEPENDENT AUDITOR'S REPORT  
ON THE CONSOLIDATED  
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 consolidated financial statements of Doosan Škoda Power a.s. and its subsidiary (the "Group"), prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Doosan Škoda Power a.s. and its subsidiary as at 31 December 2024, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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





## CONSOLIDATED 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 Consolidated Financial Statements:

Consolidated Statement of Financial Position  
Consolidated Statement of Profit or Loss  
Consolidated Statement of Comprehensive Income  
Consolidated Statement of Changes in Equity  
Consolidated Cash Flow Statement  
Notes to the Consolidated Financial Statements

These consolidated 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.**  
**CONSOLIDATED 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>7 128 784</b>	<b>8 875 418</b>
Property, plant and equipment	9	1 268 294	1 315 920
Intangible assets	8	1 292 167	1 260 948
Deferred tax assets	13	2 514	2 538
Non-current financial derivatives	25	1 575	12 692
Non-current receivables	5	45 224	134 093
<b>Total non-current assets</b>		<b>2 609 774</b>	<b>2 726 191</b>
Inventories	7	129 587	133 319
Trade receivables	5	1 867 473	1 423 651
Other assets	5	187 003	41 396
Contract assets	6	1 266 335	1 338 578
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	1 027 315	2 125 904
<b>Total current assets</b>		<b>4 519 010</b>	<b>6 149 227</b>
<b>EQUITY AND LIABILITIES</b>		<b>7 128 784</b>	<b>8 875 418</b>
Share capital		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
Translation reserve		-11 028	-16 064
Retained earnings		2 420 441	2 237 106
<b>Total equity</b>		<b>4 199 764</b>	<b>5 927 973</b>
Deferred tax liabilities	13	167 822	92 583
Non-current provisions	14	50 045	49 419
Non-current financial derivatives	25	68 887	24 470
Other non-current liabilities	11	23 103	21 659
<b>Total non-current liabilities</b>		<b>309 857</b>	<b>188 131</b>
Trade payables	10	1 495 444	890 887
Other liabilities	10	176 512	307 067
Contract liabilities	6	670 562	1 298 753
Income tax payable	13	1 345	86 807
Current provisions	14	199 343	143 988
Current financial derivatives	25	75 957	31 812
<b>Total current liabilities</b>		<b>2 619 163</b>	<b>2 759 314</b>

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements.

**Doosan Škoda Power a.s.**  
**CONSOLIDATED 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	5 891 111	4 787 917
Other revenues	16	29 487	22 846
<b>Revenues</b>		<b>5 920 598</b>	<b>4 810 763</b>
Raw materials and consumables used		-3 936 488	-3 359 921
Own work capitalized		80 430	72 545
Personnel expenses	18	-1 131 863	-1 021 735
Depreciation and amortization	8, 9	-168 649	-165 831
Other operating expenses	19	-108 624	-89 440
Other gains and losses	20	-42 652	236 645
<b>Operating expenses</b>		<b>-5 307 846</b>	<b>-4 327 737</b>
Profit/loss from disposal of non-current assets and material		110	2
<b>Operating profit</b>		<b>612 862</b>	<b>483 028</b>
Extraordinary cost		-1 649	--
Revenue from investments		--	--
Financial income	22	394 055	293 801
Financial costs	22	-121 380	-26 778
<b>Profit before income tax</b>		<b>883 888</b>	<b>750 051</b>
Income tax expense	13	-224 065	-190 707
<b>Profit for the period</b>		<b>659 823</b>	<b>559 344</b>

The statement of profit or loss is to be read in conjunction with the notes to and forming part of the financial statements.

**Doosan Škoda Power a.s.**  
**CONSOLIDATED 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>659 823</b>	<b>559 344</b>
<b>Other net comprehensive income</b>	<b>-63 199</b>	<b>-28 007</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
	-	<b>34 239</b>
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	5 036	-1 766
Share of other comprehensive income of associated companies	--	--
Deferred tax on items that may be reclassified	18 138	13 761
	<b>-63 199</b>	<b>-62 246</b>
<b>Total comprehensive income for the accounting period</b>	<b>596 624</b>	<b>531 337</b>

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements.

**Doosan Škoda Power a.s.**  
**CONSOLIDATED 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	Translation reserve	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>-14 298</b>	<b>3 873 152</b>	<b>7 592 026</b>
Changes in accounting methods	--	--	--	--	--	--	--
Adjustment to prior period data	--	--	--	--	--	--	--
Adjusted balance	3 298 345	329 835	30 889	74 103	-14 298	3 873 152	7 592 026
Profit for the period	--	--	--	--	--	559 344	559 344
Components of other comprehensive income	--	--	34 239	-60 480	-1 766	--	-28 007
- assets revaluation	--	--	34 239	--	--	--	34 239
- realizable financial assets	--	--	--	--	--	--	--
- cash flow hedging	--	--	--	-74 241	--	--	-74 241
- exchange rate differences from foreign activities	--	--	--	--	-1 766	--	-1 766
- 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	-1 766	559 344	531 337
Transactions with owners							
Change in share capital	--	--	--	--	--	--	--
Dividends	--	--	--	--	--	-2 195 390	-2 195 390
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>-16 064</b>	<b>2 237 106</b>	<b>5 927 973</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>-16 064</b>	<b>2 237 106</b>	<b>5 927 973</b>
Changes in accounting methods	--	--	--	--	--	--	--
Adjustment to prior period data	--	--	--	--	--	--	--
Adjusted balance	3 298 345	329 835	65 128	13 623	-16 064	2 237 106	5 927 973
Profit for the period	--	--	--	--	--	659 823	659 823
Components of other comprehensive income	--	--	--	-68 235	5 036	--	-63 199
- assets revaluation	--	--	--	--	--	--	--
- realizable financial assets	--	--	--	--	--	--	--
- cash flow hedging	--	--	--	-86 373	--	--	-86 373
- exchange rate differences from foreign activities	--	--	--	--	5 036	--	5 036
- 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	5 036	659 823	596 624
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>-11 028</b>	<b>2 420 441</b>	<b>4 199 764</b>

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements.



**Doosan Škoda Power a.s.**  
**CONSOLIDATED 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>883 888</b>	<b>750 051</b>
- Depreciation and amortization	168 649	165 831
- Profit/loss on disposal of non-current assets	-37	-48
- Impairment losses on current assets	-13 380	-17 814
- Non-capitalized exchange rate differences	-33 310	58 468
- Interest paid, interest expenses and income and bank fees	-239 117	-245 488
- Other non-cash operations	43 717	-96 229
- Creation and release of provisions	55 810	-65 725
Total adjustments	-17 668	-201 005
<b>Cash flows from operating activities before changes in working capital</b>	<b>866 220</b>	<b>549 046</b>
Change in inventories	-8 430	-14 864
Change in trade and other receivables	-155 965	-607 095
Change in trade and other payables	-201 602	1 132 542
Cash from operating activities	500 223	1 059 629
Interest received	58 890	61 896
Interest paid and bank fees	-9 956	-9 244
Income tax paid	-247 501	-131 880
<b>Net cash from operating activities</b>	<b>301 656</b>	<b>980 401</b>
Acquisition of property, plant and equipment	-54 869	-41 699
Aquisition of intangible assets	-76 528	-72 339
Proceeds from sale of property, plant and equipment	40	60
Loans provided - payoff	--	1 730 000
Interest received	--	240 522
<b>Net cash from investing activities</b>	<b>-131 357</b>	<b>1 856 544</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	-1 104 534	641 555
Cash and cash equivalents at the begining of period	2 125 904	1 481 507
FX gains/losses on cash and cash equivalents	5 945	2 842
<b>Cash and cash equivalents at the end of the period</b>	<b>1 027 315</b>	<b>2 125 904</b>

The cash flow statement is to be read in conjunction with the notes to and forming part of the financial statements.

## Table of Contents

1.	Description of the Group's activities .....	7
2.	Basis of preparation of the financial statements .....	9
3.	Summary of material accounting policies .....	11
4.	Cash, cash equivalents .....	18
5.	Trade receivables and other assets .....	19
6.	Balance of long term contracts .....	19
7.	Inventories .....	20
8.	Intangible assets .....	20
9.	Property, plant and equipment .....	22
10.	Trade payables and Other liabilities .....	24
11.	Other non-current liabilities .....	24
12.	Loans and borrowings .....	24
13.	Income tax .....	24
14.	Provisions .....	25
15.	Equity .....	26
16.	Revenues from goods, products and services and Other revenues .....	27
17.	Segment reporting .....	27
18.	Personnel expenses .....	28
19.	Other operating expenses .....	28
20.	Other gains and (losses) .....	28
21.	State subsidies (R&D grants) .....	28
22.	Financial income (+), financial costs (-) .....	29
23.	Transactions with related parties .....	29
24.	Financial instruments and risk management .....	30
25.	Summary of derivative instruments .....	35
26.	Commitments arising from capital expenditures .....	36
27.	Litigations .....	36
28.	Environmental liabilities .....	36
29.	Provided guarantees and other conditional obligations .....	36
30.	Subsequent events .....	37

## 1. Description of the Group's activities

### *Establishment and description of the Group*

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 30 Subsequent events.

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

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.

### Consolidated financial statements

These statements are consolidated financial statements of the Group as defined by IFRS 10 Consolidated Financial Statements.

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

At the date of authorisation of these financial statements, the Group 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 IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
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	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements.	1 January 2024

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

The Group does not expect that the adoption of the other new accounting standard and amendments to standards listed above will have a material impact on the financial statements of the Group 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 Group 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 Group 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 Group may be involved in court and out-of-court commercial disputes. Where the criteria for the recognition of provisions are met, the Group 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".

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

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

The Group 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 Group recognizes its revenues predominantly based on 'over time' method due to customer-specific nature of production covered by signed and legally enforceable contracts. The group applies input (cost-to-cost) method for measurement of percentage of completion as this method best reflects nature of Group'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 Group 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 Group 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 Group 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 Group are not material. The Group 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 Group 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 Group 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 Group range of responsibility, then the cost is covered by the Group 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 Group*

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 Group 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 Group. The amortisation period for non-current intangible assets owned by the Group 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 Group'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 Group 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 Group'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 Group 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 Group always recognises lifetime ECL for trade receivables and contract assets from customers. The expected credit losses on these financial assets are estimated either individually or using a provision matrix based on the Group'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 Group 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 Group 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 Group 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 Group applies hedge accounting under IFRS 9. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 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 Group 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 Group 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 Group 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 Group 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 Group will comply with the conditions attaching to them and that the grants will be received.

Subsidies awarded to refund the Group 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 Group 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 Group 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 Group 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 Group 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	888 504	2 081 358
Current deposits	138 811	44 546
<b>Total</b>	<b>1 027 315</b>	<b>2 125 904</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	1 375 180	1 327 851
Other trade receivables	56 864	2 823
Accrued receivables	633 088	332 647
<b>Total receivables (gross)</b>	<b>2 065 132</b>	<b>1 663 321</b>
<b>Allowances</b>		
Opening balance	-239 670	-260 940
Additional allowances	-40 472	-45 812
Amounts written off	50 460	10 614
Amounts recovered	35 380	49 165
Foreign exchange gains and losses	-3 357	7 303
Closing Balance	-197 659	-239 670
<b>Total receivables (net)</b>	<b>1 867 473</b>	<b>1 423 651</b>

**Ageing structure of trade receivables**

<b>TCZK</b>	<b>31.12.2024</b>		<b>31.12.2023</b>	
	Gross amount	Allowance	Gross amount	Allowance
Due	704 212	-7 274	633 120	-10 322
Up to 3 months	190 271	-7 192	206 718	-5 455
3-6 months	176 383	-2 171	87 382	-10 535
6-9 months	16 998	-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	2 556	-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	2 160	-	412	-355
30-33 months	2 084	-	22 040	-17 413
over 33 months	157 714	-148 907	201 597	-172 930
<b>Total</b>	<b>1 432 044</b>	<b>-197 659</b>	<b>1 330 674</b>	<b>-239 670</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	1 276 585	1 351 612
Allowances	-10 250	-13 034
<b>Total Contract assets (net)</b>	<b>1 266 335</b>	<b>1 338 578</b>

#### Contract liabilities

TCZK	31.12.2024	31.12.2023
Opening balance	1 298 753	625 590
Revenue recognised in the reporting period that was included in the contract liability balance at the start of the period	1 202 293	514 899
New liabilities	574 102	1 188 062
<b>Closing balance</b>	<b>670 562</b>	<b>1 298 753</b>

#### 7. Inventories

TCZK	31.12.2024	31.12.2023
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

Acquisition value	Software	Brand	Assets under construction	Development costs	Other	Total
<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	28 086	<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>
<b>Net book value</b>						
<b>TCZK</b>						
1 January 2024	3 087	959 776	205 543	92 520	22	<b>1 260 948</b>
<b>31 December 2024</b>	<b>2 517</b>	<b>959 776</b>	<b>240 406</b>	<b>89 463</b>	<b>5</b>	<b>1 292 167</b>



**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	<b>2 294 869</b>
Additions	4 584	0	70 980	-3 176	-	<b>72 388</b>
Disposals	0	0	-48	-	-	<b>-48</b>
Transfers	228	0	-62 954	62 726	-	<b>0</b>
<b>31 December 2023</b>	<b>539 055</b>	<b>959 776</b>	<b>342 595</b>	<b>497 676</b>	<b>28 107</b>	<b>2 367 209</b>
<b>Accumulated amortisation and impairment losses</b>						
<b>TCZK</b>						
1 January 2023	532 272	-0	137 052	374 794	28 041	<b>1 072 159</b>
Amortisation for year	3 696	0	0	30 362	44	<b>34 102</b>
Disposals	0	0	0	-	-	<b>0</b>
<b>31 December 2023</b>	<b>535 968</b>	<b>-0</b>	<b>137 052</b>	<b>405 156</b>	<b>28 085</b>	<b>1 106 261</b>
<b>Net book value</b>						
<b>TCZK</b>						
<b>1 January 2023</b>	<b>1 971</b>	<b>959 776</b>	<b>197 565</b>	<b>63 332</b>	<b>66</b>	<b>1 222 710</b>
<b>31 December 2023</b>	<b>3 087</b>	<b>959 776</b>	<b>205 543</b>	<b>92 520</b>	<b>22</b>	<b>1 260 948</b>

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 Group operates. There are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of this brand. Accordingly, the Group 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 Group 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	2 422 213	278 830	<b>4 298 134</b>
Additions	29 208	-	5 513	23 779	16 804	<b>75 304</b>
Disposals	-	-	-	-33 252	-4 250	<b>-37 502</b>
Transfers	-24 627	-	8 780	15 602	-	<b>-245</b>
<b>31 December 2024</b>	<b>36 686</b>	<b>310 145</b>	<b>1 269 134</b>	<b>2 428 342</b>	<b>291 384</b>	<b>4 335 691</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	2 162 803	254 912	<b>2 982 214</b>
Depreciation for year	-	-	41 361	69 318	11 796	<b>122 475</b>
Impairment losses	-	-	-	-33 042	-4 250	<b>-37 292</b>
<b>31 December 2024</b>	<b>5 698</b>	<b>-</b>	<b>600 162</b>	<b>2 199 079</b>	<b>262 458</b>	<b>3 067 397</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	259 410	23 918	<b>1 315 920</b>
<b>31 December 2024</b>	<b>30 988</b>	<b>310 145</b>	<b>668 972</b>	<b>229 263</b>	<b>28 926</b>	<b>1 268 294</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	2 412 242	293 345	<b>4 241 476</b>
Additions	25 525	44 306	6 317	13 179	16 453	<b>105 780</b>
Disposals	-505	-	-8 157	-9 412	-30 968	<b>-49 042</b>
Transfers	-8 581	-	2 297	6 204	-	<b>-80</b>
<b>31 December 2023</b>	<b>32 105</b>	<b>310 145</b>	<b>1 254 841</b>	<b>2 422 213</b>	<b>278 830</b>	<b>4 298 134</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	2 089 811	276 174	<b>2 897 524</b>
Depreciation for year	-	-	41 117	82 472	9 706	<b>133 295</b>
Impairment losses	-	-	-	-	-	<b>-</b>
Disposals	-	-	-8 157	-9 480	-30 968	<b>-48 605</b>
<b>31 December 2023</b>	<b>5 698</b>	<b>-</b>	<b>558 801</b>	<b>2 162 803</b>	<b>254 912</b>	<b>2 982 214</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	322 431	17 171	<b>1 343 952</b>
<b>31 December 2023</b>	<b>26 407</b>	<b>310 145</b>	<b>696 040</b>	<b>259 410</b>	<b>23 918</b>	<b>1 315 920</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 Group 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 Group 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 Group 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 Group 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	1 483 261	880 948
Lease liabilities	8 321	7 460
Other payables	3 862	2 479
<b>Total</b>	<b>1 495 444</b>	<b>890 887</b>

**Ageing structure of the trade payables**

<b>TCZK</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Payables before due	1 333 461	826 199
Payables overdue within 1 year	143 349	42 479
Payables overdue above 1 year	6 451	12 270
<b>Total</b>	<b>1 483 261</b>	<b>880 948</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	12 952	9 669
Other non-current trade liabilities (retention money)	10 151	11 990
<b>Total</b>	<b>23 103</b>	<b>21 659</b>

**12. Loans and borrowings**

In 2024 and 2023 the Group 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	126 960	139 890
Income tax – adjustments from previous years	3 570	15 812
Deferred income tax	93 535	35 005
<b>Total</b>	<b>224 065</b>	<b>190 707</b>

As at 31 December 2024, the current tax assets amounted to TCZK 33 554 (the Company) and current tax liability TCZK 1 345 (the Subsidiary), which comprises an estimate of an income tax liability for 2024 decreased by income tax advances paid (2023: current tax liability TCZK 86 807).

#### *Investment Incentives*

The Group 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:

	<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	-51 645	-63 612
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	53 227	41 683
Untaken holiday, targeted benefits – payables	16 461	16 997
Social security and health insurance on bonuses	689	600
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>-165 308</b>	<b>-90 045</b>
Out pf this deferred tax asset	<b>2 514</b>	<b>2 538</b>
Out pf this deferred tax liability	<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		905 831		750 051
Income tax using the domestic corporation tax rate of	21%	191 014	19%	143 553
Effect of income that is exempt from taxation and expense that are not deductible	2%	22 519	3%	20 976
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%	-3 898	2%	13 181
Tax rate change to 21% from 2024	0%	-	1%	8 817
<b>Total</b>		<b>25% 224 065</b>		<b>25% 190 707</b>

#### **14. Provisions**

<b>TCZK</b>	<b>31.12.2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>31.12.2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>31.12.2024</b>
Warranty provisions	215 885	54 077	112 110	157 852	62 942	45 235	175 559
Other provisions	43 378	7 029	14 852	35 555	54 331	16 057	73 829
<b>Total</b>	<b>259 263</b>	<b>61 106</b>	<b>126 962</b>	<b>193 407</b>	<b>117 273</b>	<b>61 292</b>	<b>249 388</b>
Non-current part	38 283			49 419			50 045
Current part	220 980			143 988			199 343

Breakdown of disposals:

Warranty provisions:

- Use of provisions for originally specified purpose: TCZK 23 990 in 2024, TCZK 11 273 in 2023.
- Cancellation of provision: ,TCZK 21 245 in 2024, TCZK 100 741 in 2023.

Other provisions:

- Use of provisions for originally specified purpose: TCZK 15 989 in 2024, TCZK 14 811 in 2023.
- Cancellation of provision: TCZK 68 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 group 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	5 251 505	4 201 601
Short term - within one year	639 606	586 316
<b>Total</b>	<b>5 891 111</b>	<b>4 787 917</b>

Revenues disaggregation by main revenue streams

TCZK	2024	2023
New installation	4 310 790	3 393 812
Service	1 144 007	1 169 988
Long term service agreements	436 314	224 117
<b>Total</b>	<b>5 891 111</b>	<b>4 787 917</b>

Revenues disaggregation by geographies

TCZK	2024	2023
Europe (excluding Czech Republic)	2 209 162	1 894 788
Czech Republic	1 109 891	1 382 063
Asia	1 464 168	884 368
South and Central America	499 701	295 970
Africa	301 325	256 428
North America	287 225	64 358
Australia	19 639	9 942
<b>Total</b>	<b>5 891 111</b>	<b>4 787 917</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>9 187 357</b>	<b>8 665 027</b>
Estimated recognition within 1 year after period end	3 742 122	3 809 210
Estimated recognition within 2-3 years after period end	2 921 461	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 Group has assessed its operating segments in accordance with IFRS 8 and concluded that the Group is having only one reportable operating segment. As described in the Note 16, the Group's revenues are only in one segment – Turbines, from which it earns revenues and incurs expenses. The Group 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 Group's chief operating decision maker (CEO) is reviewing it,

**18. Personnel expenses**

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Wages and salaries	824 341	743 261
Social security and health insurance	272 984	246 834
Expenses for employee benefits	34 538	31 640
<b>Total personnel expenses</b>	<b>1 131 863</b>	<b>1 021 735</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	1 005	800 712	265 369	34 381
Directors	8	23 629	7 615	157
<b>Total</b>	<b>1 013</b>	<b>824 341</b>	<b>272 984</b>	<b>34 538</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	947	721 633	240 004	31 517
Directors	8	21 628	6 830	123
<b>Total</b>	<b>955</b>	<b>743 261</b>	<b>246 834</b>	<b>31 640</b>

**19. Other operating expenses**

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Taxes and fees	15 501	7 850
Receivables written off	19 586	7 411
Fines and penalties	11 786	16 251
Bank fees	10 248	9 244
Insurance	26 025	32 072
Other operating expense	25 478	16 612
<b>Total</b>	<b>108 624</b>	<b>89 440</b>

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

<b>TCZK</b>	<b>2024</b>	<b>2023</b>
Decrease (increase) in provisions	-55 047	66 587
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	21 997	20 961
<b>Total</b>	<b>-42 652</b>	<b>236 645</b>

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

In 2024 the Group credited to income a subsidy in the amount of TCZK 4 631 (2022: 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
Exchange rate gains from cash and cash equivalents, short term financial instruments and loans	144 610	38 918
Gains from hedging operations on financial instruments	-	-
Interest revenues	249 445	254 883
<b>Total</b>	<b>394 055</b>	<b>293 801</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 18 (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.

TCZK	Receivables as at		Payables as at	
	2024	2023	2024	2023
<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>926 003</b>	<b>440 206</b>	<b>515 558</b>	<b>465 806</b>

#### Sales and purchases

TCZK	Sales for period		Purchases for period	
	2024	2023	2024	2023
<b>Companies controlled by Ultimate parent:</b>				
Doosan Enerbility Co.,Ltd (Korea)	639 068	672 651	10 659	16 874
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>1 121 765</b>	<b>921 591</b>	<b>203 727</b>	<b>158 398</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	1 027 315	2 125 904
Derivatives in designated hedge accounting relationships (FVTPL)	9 318	49 071
Loans and trade receivables	1 912 697	2 607 744
<b>Total</b>	<b>2 949 330</b>	<b>4 782 719</b>
<i>Financial liabilities</i>		
Derivatives in designated hedge accounting relationships (FVTPL)	144 844	56 282
Trade payables	1 518 547	912 546
<b>Total</b>	<b>1 663 391</b>	<b>968 828</b>

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

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

The management of the Group 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 Group, or loans provided by the Group.

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 Group.

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 Group would not be able to pay its financial liabilities and obligations when they mature. The Group 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

TCZK	Carrying amount	Up to 3 months	3 months to 1 year	1-5 years	Over 5 years
<b>Assets</b>					
Trade receivables	1 912 697	1 640 704	227 883	44 110	-
Loans	-	-	-	-	-
Derivatives in designated hedge accounting relationships (FVTPL)	9 318	1 399	6 344	1 575	-
<b>Total assets</b>	<b>1 922 015</b>	<b>1 642 103</b>	<b>234 227</b>	<b>45 685</b>	<b>-</b>
<b>Liabilities</b>					
Trade payables	1 518 547	810 869	684 575	23 103	-
Derivatives in designated hedge accounting relationships (FVTPL)	144 844	26 120	49 837	64 527	4 360
<b>Total liabilities</b>	<b>1 663 391</b>	<b>836 989</b>	<b>734 412</b>	<b>87 630</b>	<b>4 360</b>
<b>Net liquidity risk position</b>	<b>258 624</b>	<b>805 114</b>	<b>-500 185</b>	<b>-41 945</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	1 557 744	1 050 123	376 201	131 420	-
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>2 656 815</b>	<b>1 059 864</b>	<b>1 452 839</b>	<b>144 112</b>	<b>-</b>
<b>Liabilities</b>					
Trade payables	912 546	469 021	421 179	21 885	461
Derivatives in designated hedge accounting relationships (FVTPL)	56 282	6 376	25 436	24 470	-
<b>Total liabilities</b>	<b>968 828</b>	<b>475 397</b>	<b>446 615</b>	<b>46 355</b>	<b>461</b>
<b>Net liquidity risk position</b>	<b>1 687 987</b>	<b>584 467</b>	<b>1 006 224</b>	<b>97 757</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 Group 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 Group 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 Group 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 Group 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 Group is not exposed to significant risk in case of change of market interest rates.

### Capital risk management

The group 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	242 445	834 919	776 789	58 544	1 912 697
Cash, cash equivalents	124 092	295 908	288 231	319 084	1 027 315
<b>Total financial assets</b>	<b>366 537</b>	<b>1 140 145</b>	<b>1 065 020</b>	<b>377 628</b>	<b>2 949 330</b>
Other non-current liabilities	371	5 989	16 674	69	23 103
Financial derivatives	69 679	75 165	-	-	144 844
Trade payables	1 135	78 180	1 350 114	66 015	1 495 444
<b>Total financial liabilities</b>	<b>71 185</b>	<b>159 334</b>	<b>1 366 788</b>	<b>66 084</b>	<b>1 663 391</b>

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

TCZK	USD	EUR	CZK	Other	Total
Financial derivatives	16 500	32 571	-	-	49 071
Loans	-	-	1 050 000	-	1 050 000
Trade receivables	206 445	790 354	546 954	13 991	1 557 744
Cash, cash equivalents	99 216	355 564	1 225 986	445 138	2 125 904
<b>Total financial assets</b>	<b>322 161</b>	<b>1 178 489</b>	<b>2 822 940</b>	<b>459 129</b>	<b>4 782 719</b>
Other non-current liabilities	148	5 925	15 481	105	21 659
Financial derivatives	5 809	50 473	-	-	56 282
Trade payables	-4 841	91 333	789 624	14 771	890 887
<b>Total financial liabilities</b>	<b>1 116</b>	<b>147 731</b>	<b>805 105</b>	<b>14 876</b>	<b>968 828</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 95 045 (2023: TCZK 90 942) in the profit or loss account, provided that other variables (in particular, the interest rate) remain unchanged.

The Group 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

2024		Original curr.	TCZK	TCZK +10 %	Change	TCZK -10 %	Change
Short-term and	TEUR	33 151	834 919	918 410	83 492	751 427	-83 492
long-term	TGBP	0	0	0	0	0	0
receivables	TUSD	10 003	242 445	266 690	24 245	218 201	-24 245
Short-term and	TEUR	3 342	84 169	92 586	8 417	75 752	-8 417
long-term	TGBP	1 358	41 239	45 362	4 124	37 115	-4 124
payables	TUSD	62	1 506	1 657	151	1 355	-151
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	9 941	240 939	265 033	24 094	216 845	-24 094
<b>Total</b>			<b>TCZK</b>	<b>95 045</b>		<b>TCZK</b>	<b>-95 045</b>

2023		Original curr.	TCZK	TCZK +10 %	Change	TCZK -10 %	Change
Short-term and	TEUR	32 542	804 612	885 073	80 461	724 150	-80 461
long-term	TGBP	4	104	115	10	94	-10
receivables	TUSD	9 247	206 918	227 610	20 692	186 227	-20 692
Short-term and	TEUR	3 934	97 257	106 982	9 726	87 531	-9 726
long-term	TGBP	77	2 181	2 399	218	1 963	-218
payables	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:

2024	MtM value	TCZK +10%		TCZK -10%	
		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>

2023	MtM value	TCZK +10%		TCZK -10%	
		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 Group 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 Group uses these derivatives to hedge future cash flows and the fair values of some financial assets.

The Group 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 Group hedges future cash flows from long term contracts concluded in foreign currencies (EUR, USD) against currency risks. The Group 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)	AVG rate
EUR	147 055	3 690	-65 847	25,09	128 116	3 188	-17 902	24,89
USD	58 208	1 333	-69 679	22,90	40 992	928	10 691	22,65
<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

<b>Opening balance 1.1.2024</b>	<b>13 623</b>
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
<b>Closing balance 31.12.2024</b>	<b>-54 612</b>

	TCZK
<b>Opening balance 1.1.2023</b>	<b>74 103</b>
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
<b>Closing balance 31.12.2023</b>	<b>13 623</b>

#### 26. Commitments arising from capital expenditures

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

#### 27. Litigations

The Group does not lead any material litigation.

#### 28. Environmental liabilities

The Group 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 Group 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.
- YES Bank Limited issued bank guarantees of TINR 365 711 with maturity up to 31 March 2026



b) Overview of nonbank guarantees

In accordance with the contract conditions the Group 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 Group has no liabilities covered by a right of pledge.

d) Overview of issued promissory notes

The Group has no bank guarantee covered by promissory notes.

e) Guarantees

The Group provides no guarantees for bank guarantees and letter of credits facilities of related parties as at 31 December 2024.

The Subsidiary provides fixed deposits cash collateral amounting to TINR 370 000 to secure bank guarantees and letter of credits facility as at 31 December 2024.

**30. 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.

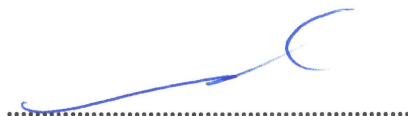
In Pilsen on 24 April 2025

**Signature of authorised representatives:**

**Name:** Sanghoun Park

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

**Signature:**



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Youngki Lim

Chairman of the Board of Directors




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