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# DOOSAN ŠKODA POWER a.s.

## Public offering of shares of Doosan Škoda Power a.s.

Offer period from 27 January 2025 to 5 February 2025

Date: 27 January 2025

# DISCLAIMER

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This advertisement does not constitute a securities prospectus nor an offer to purchase any shares in Doosan Škoda Power a.s. It does not replace the securities prospectus prepared by Doosan Škoda Power a.s. which has been approved by the Czech National Bank pursuant to the Prospectus Regulation (Prospectus). However, the approval of the Prospectus should not be understood as an endorsement of the securities by the Czech National Bank nor an endorsement of the investment in any securities in Doosan Škoda Power a.s.

Potential investors should not subscribe for or purchase any securities referred to in this Document except on the basis of the information in the Prospectus (together with any supplementary prospectus, if relevant). Potential investors should read the Prospectus before making an investment decision in order to fully under stand the potential risks and rewards associated with the decision to invest in the securities offered. Investment instruments (or investing in them) are not bank deposits and are not insured under the deposit insurance fund. Investment in securities entails numerous risks, including, amongst others, a total loss of the initial investment, potential investors being allocated fewer securities than they have submitted purchase orders for, or not receiving any securities at all in some limited cases. The value of the amount invested in an investment instrument and the return from it can rise and fall, and there is no guarantee of the return of the originally invested amount. Past performance does not guarantee future performance. Expected performance is not a reliable indicator of future performance. The responsibility associated with the tax/accounting/legal consequences of investing in financial instruments remains fully with the investor.

The prospectus is available on the company’s website www.doosanskodapower.com.

# DOOSAN ŠKODA POWER'S INITIAL PUBLIC OFFERING - SUMMARY

## OFFERING SUMMARY

**Offering:** Total up to 10,527,000 new and existing ordinary shares of Doosan Škoda Power a.s. ("Doosan Škoda Power" or the "Company")

Base deal up to 9,570,000 shares (Base Deal):

- Up to 2,900,000 new ordinary shares (up to 10% of Company's existing share capital)
- Up to 6,670,000 existing ordinary shares offered by Doosan Power Systems S.A. (the "Selling Shareholder"; up to 23% of Company's existing share capital)

Over-allotment option:

- Up to 957,000 existing shares granted by the Selling Shareholder (up to 10% of the Base Deal)

**Offer Price Range:** From CZK 220 to CZK 260; Retail investors may place orders within the given Offer Price Range

**Retail Offer Period:** 27 January – 5 February 2025 (1pm CET)

**Listing venue:** The Prague Stock Exchange (Prime Market)

**Minimum purchase order amount:** Please see conditions of Retail Offering Agents

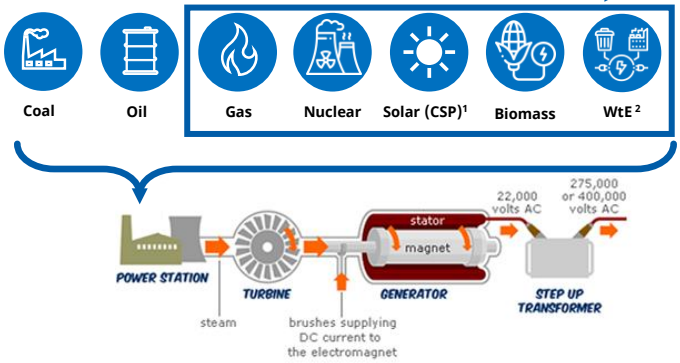
**Orders can be placed at:** Please see Retail Offering Agents' contact details below

**More details:** The decision to participate in the Offering should be made solely on the basis of the Prospectus published on 27 January 2025 and available at www.doosanskodapower.com

## DOOSAN ŠKODA POWER IS A POWER EQUIPMENT, TURBINE MANUFACTURER AND ENGINEERING SOLUTIONS PROVIDER

- Doosan Škoda Power is one of the leading steam turbines manufacturers and is based in Pilsen, Czech Republic.
- Founded in 1869, Doosan Škoda Power specializes in designing and manufacturing high-efficiency steam turbines. Applications include combined cycle, biomass, nuclear or industrial power plants.
- Delivers comprehensive maintenance services and advanced diagnostic tools to ensure optimal turbine performance.
- Offers facility retrofitting and modernization services. Provides engineering solutions to improve plant efficiency.
- In the financial year 2023 Doosan Škoda Power generated revenues of CZK 4,811m and EBITDA of CZK 662m.

***Gradual Shift Towards More Sustainable Energy Sources***







### Unique Success Factors

| | |
|---|---|
| Tailor-made solutions for clients with an output of up to 1,300 MW | Patented technology developed and built for 100+ years |
| 56 GW to 62 countries worldwide provided to date | ~ 1 000 qualified employees (~ 50% with a master's degree) |
| Decarbonization product portfolio (gas, nuclear, CSP, biomass and WtE) | Reputable brand |
| Long track record of projects worldwide | Inhouse R&D |

## WHY TO INVEST?

### Attractive dividend pay-out ratio

**70+%**
Target dividend pay-out ratio

### Long-term growth potential

Doosan Škoda Power is well positioned to benefit from **energy transformation, nuclear renaissance and growing electricity demand.**

### Strong Czech Brand

**1869**
History of Doosan Škoda Power backs to famous Emil Škoda

## ORDERS CAN BY PLACED WITH THE RETAIL OFFERING AGENTS

Raiffeisen Bank
**www.rb.cz**

portu
**www.portu.cz**

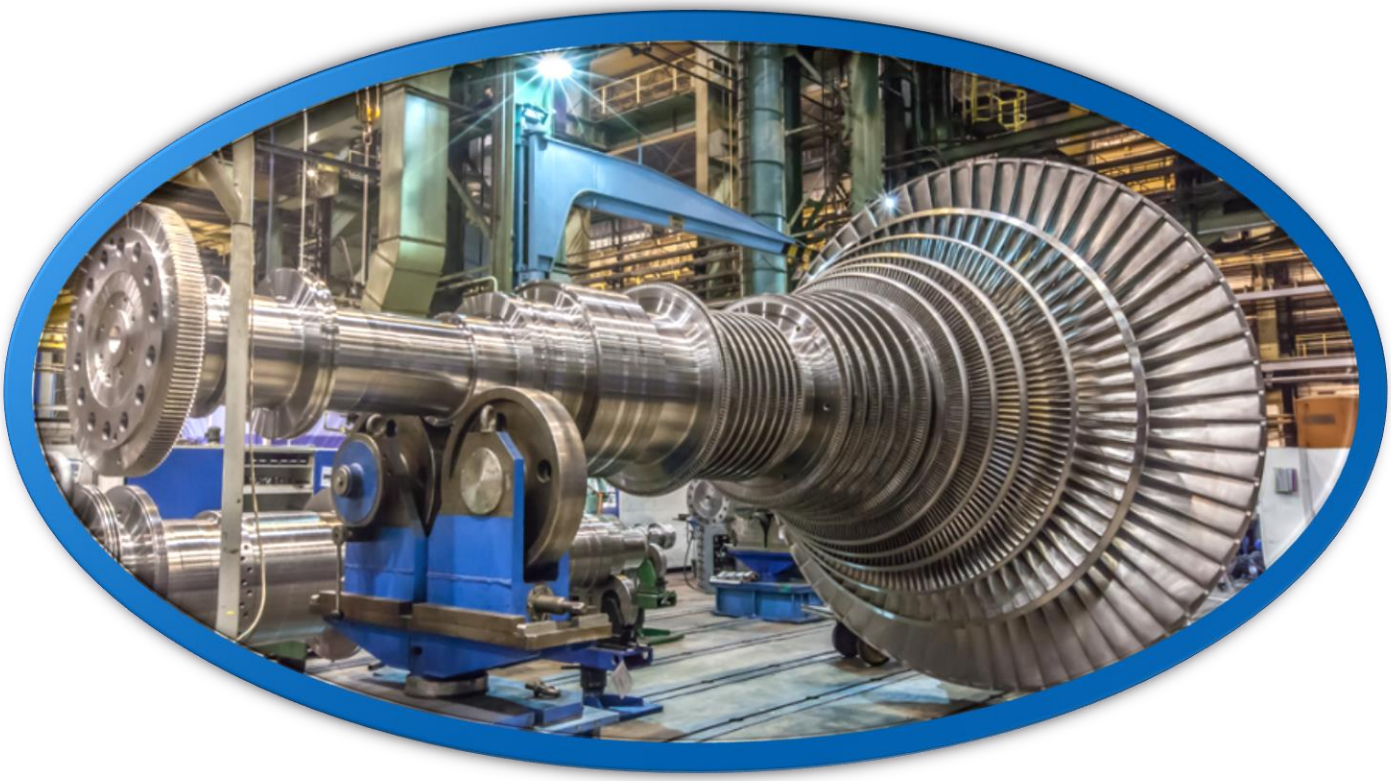
J&T BANKA
**www.jtbank.cz**

*Notes:*
*1) Concentrated Solar Power*
*2) Waste to Energy*

# DOOSAN ŠKODA POWER: STRATEGIC INITIATIVES AND INVESTMENT RATIONALES

## KEY INVESTMENT HIGHLIGHTS

1. One of the leading steam turbine OEMs with high reputation, proven track record, and unique IPs
2. Well-diversified across industries and regions, operating in a growing market driven by secular trends
3. Enabling energy transition with a comprehensive portfolio and expertise in clean energy applications
4. Located in Central Europe, strategically leveraging global reach through technology transfer and business synergies with Doosan Group
5. Solid financial position and attractive dividend pay-out ratio



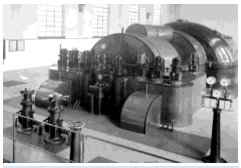
*"Global expert in power solutions"*

# DOOSAN ŠKODA POWER: RICH HISTORY, STRONG PARTNERSHIP

## ESTABLISHED IN 1869, ŠKODA POWER BECAME A PART OF DOOSAN IN 2009

Emil Škoda founded an engineering workshop

1869



Development of 23 MW Reheating Steam Turbine

1932

220 MW Turboset (nuclear) in operation

1976

DOOSAN

Acquisition of Škoda by Doosan

2009

Opened Doosan Group R&D Center of Excellence for Steam Turbines

2013

200 MW Dubai WtE

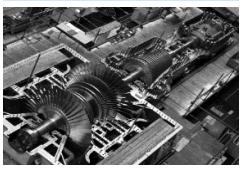
2024

1911

Rateau Turbine System replaced with Turbines designed by Škoda

1966

200 MW Turboset manufactured

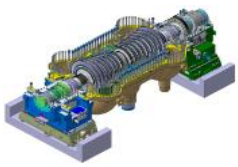


1992

1,000 MW Turboset (for Temelín Nuclear Plant)

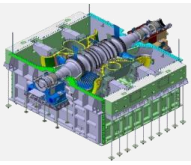
2007

660 MW USC[1] unit contracted



2014

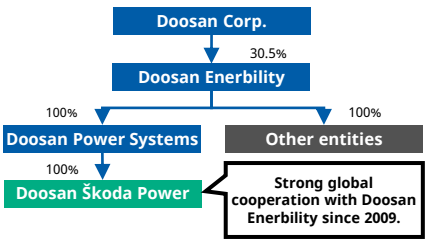
1,100 MW Turboset (nuclear)



## PART OF REPUTABLE GLOBAL GROUP DOOSAN ENERBILITY

Founded in 1962, Doosan Enerbility Has Grown to Become One of the Leading Energy Companies, Creating Global Value by Supplying Power and Water to 40 Countries Worldwide

### Simplified Ownership Structure




6 ths employees

Listed on Korea Exchange

Market Capitalisation of EUR 10.3b

### Business Lines

**Nuclear Business Group**
- Key nuclear plant components
  - Nuclear reactor, steam generator, etc.
- Next-gen nuclear power plant (SMR[2], etc.)
- Forging & casting materials

**Plant EPC Business Group**
- CCPP[3] EPC / Nuclear power plant construction
- Renewables / Hydrogen
- Desalination
- Civil / Construction

**Power Service Business Group**
- Power generator components
  - Gas turbine, steam turbine, power generator, wind turbine, etc.
- Generator performance enhancement / maintenance service

### Core Business

Nuclear Power

Combined Cycle Power

Wind Power

Desalination

Gas Turbine

New Business

### Key Milestones

**1962** Business Establishment

**1982** Completed construction of Changwon Factory

**1984** Completed first Korea-Standard Thermal Plant

**2001** Privatization and renamed as Doosan Heavy Industries

**2019** Developed Korea's first heavy duty gas turbine for power

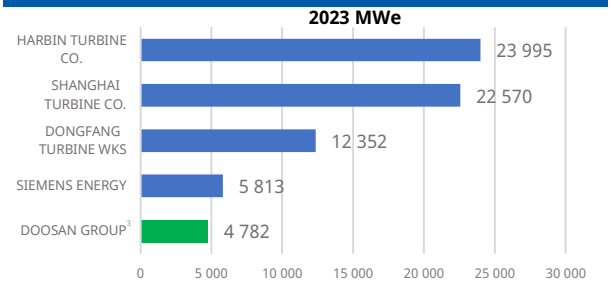
**2022** Transition to Eco-Friendly Energy Company and renamed to Doosan Enerbility

*Source: Doosan Enerbility*
*1) Ultra-Supercritical*
*2) Small Modular Reactor*
*3) Combined Cycle Power Plant*

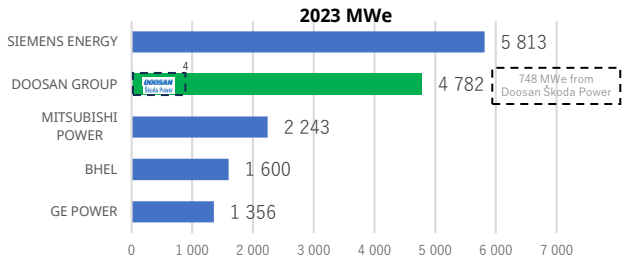
# DOOSAN ŠKODA POWER: GLOBAL PRESENCE, SERVING CUSTOMERS ACROSS MANY SECTORS

## ONE OF THE LEADING STEAM TURBINE ORIGINAL EQUIPMENT MANUFACTURERS OPERATING IN A GROWING MARKET DRIVEN BY SECULAR TRENDS

### Doosan Škoda Power Part of #5 Global Technology Owner in ST[1]...




### ... which is the #2 ST Manufacturer in its Defined Market[2]



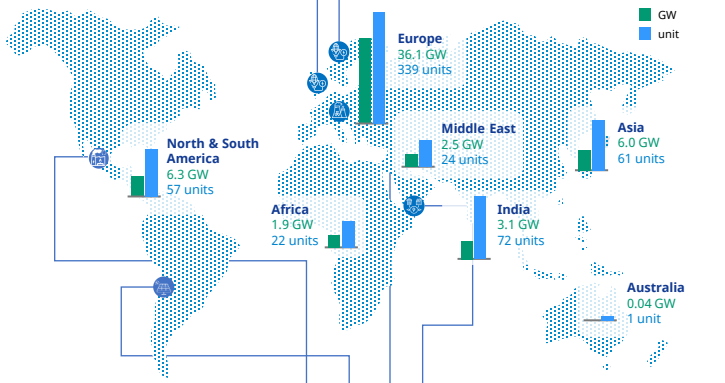

The Company targets and executes steam turbine projects with an output capacity below 350 MW as well as for full-speed nuclear applications, based on the agreement with Doosan Enerbility.

### Doosan Škoda Power Track Record of Completed Prestige Projects Worldwide

**Total record since 1960: ~ 56 GW = 576 units, 62 countries**

Among the Largest Biomass Units in the World

Among the Largest Wood Processing Plants in the Northern Hemisphere



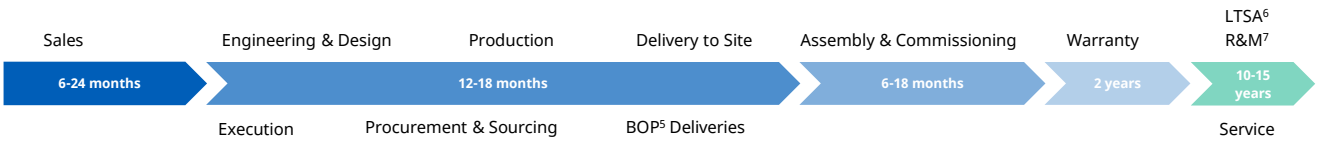

Combined Cycle Unit in Combination with an H-class Gas Turbine

Among the World's Largest Waste Incinerator Plants

First CSP unit for Chile Supplied by Doosan Škoda Power

Largest Full-Speed Nuclear Unit in the Czech Republic

## DOOSAN ŠKODA POWER COVERS THE ENTIRE VALUE CHAIN AND A WIDE RANGE OF SECTORS WITH ITS PRODUCTS




### Supplying Broad Range of Energy Sources

- Nuclear
- Waste-to-Energy
- Biomass
- Combined Cycle Power Plant
- CHP[8] (Transition to Renewables)

### Full Coverage of Ancillary Services

- Maintenance and Overhaul & LTSA
- Retrofit and Modernization
- Field Services

### Serving Customers Across Many Sectors


*Sources: McCoy Power Reports - Steam Turbines 2023 Report*
*1) Steam Turbines*
*2) Excluding China, Russia, Iran from the global market.*
*3) Excluding China, Russia, Iran from the global market*
*4) Doosan Enerbilty and Doosan Škoda Power*
*5) Balance of Plant*
*6) Long Term Service Agreements*
*7) Retrofit & Modernization*
*8) Combined Heat and Power*
*9) Independent Power Producer*

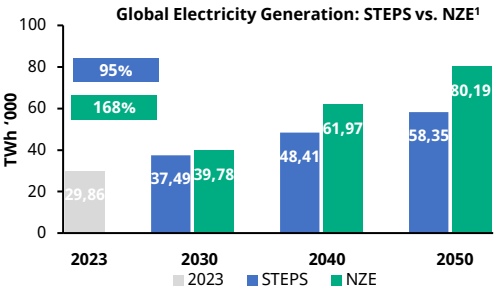
# DOOSAN ŠKODA POWER: ENERGY TRANSITION ENABLER

## OPERATING IN A GROWING MARKET DRIVEN BY SECULAR TRENDS...

### Demand and Generation of Electricity is Expected to More Than Double by 2050 in the NZE scenario...

According to IEA World Energy Outlook 2023 Global Electricity Demand is set to increase by **90%** in the **Stated Policy Scenario** and by **150%** in the **Net Zero Emissions Scenario**

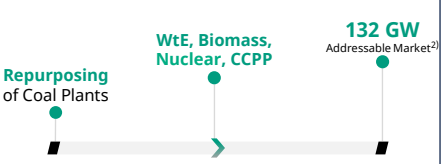
- **Industrials electricity** consumption to grow **~40%** by 2030
- Sales of electric vehicles are estimated to more than **quadruple** until 2035
- **Data centre** electricity demand forecasted to **double** from 2022 to by 2026
- **Building** applications electricity expected to **almost double** until 2050




### ...Backed By Several Secular Trends

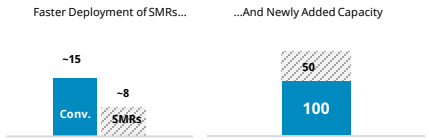
#### Decarbonization & Electrification

- **Energy transition** presents new opportunities



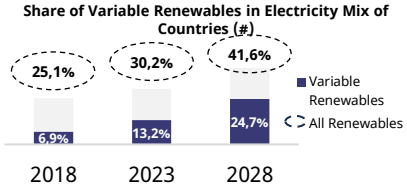

#### Nuclear Renaissance

- Ongoing **nuclear expansion**[3] through SMRs




#### Energy Security

- **Renewables**[4] require baseload complements




**Clean and green energy is required to offset ~740 GW[5] of operational coal with reliable and dispatchable power.**

## ... ACTING AS ENERGY TRANSITION ENABLER WITH STEAM TURBINES AS CORE PRODUCT...

### Growing Demand for Clean Energy-Based Electricity – Baseload Coverage

With ambitious energy transition goals, Europe and the world must significantly increase the share of renewables by 2050. However, even with sufficient wind and solar capacity, these alone cannot meet rising demand. Storage technology remains underdeveloped, and the intermittent nature of renewables cannot be fully mitigated, even with optimized grids.

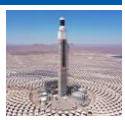
### Steam Turbines – Flexible Baseload Clean Energy Applications


Biomass & Waste


High Efficiency CCPP


Nuclear


Clean Coal USC & CHP[6]

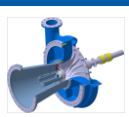

CSP[7] Solar

### Focusing on Trends in the Power Industry


Turbines for SMRs

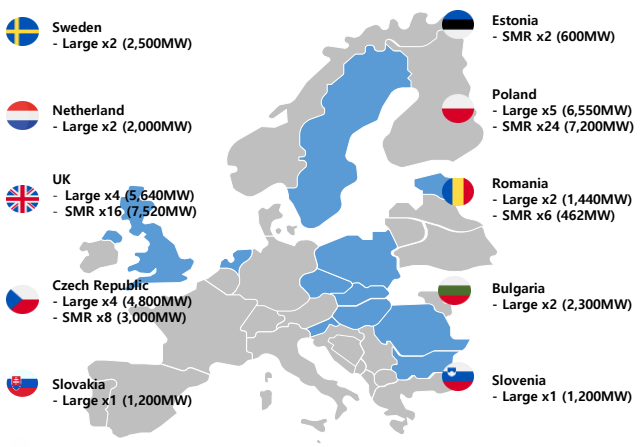

Waste Heat Recovery


Energy Storage


ORC[8] solution


$CO_2$ turbine

### Selected Planned[9] Large Nuclear & SMRs in Key Markets

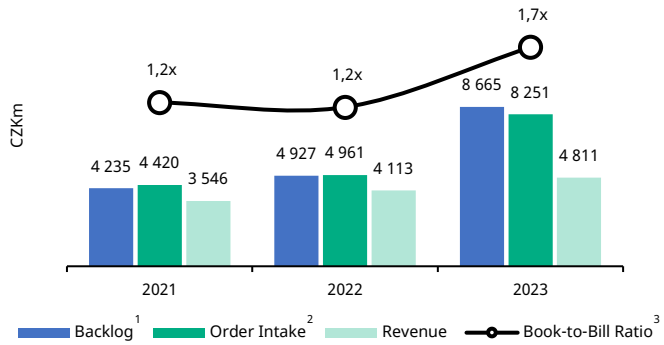



*Sources: IEA 2024 Mid-Year Outlook & IEA 2023 World Outlook & IEA Global EV outlook & IEA Electricity 2024 IEA website. Company management, World Nuclear Association*

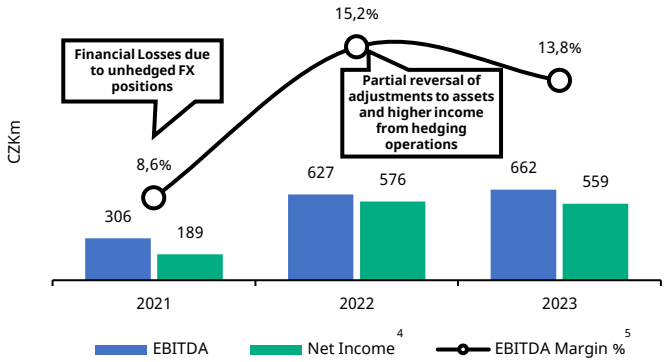
*Notes: 1) STEPS (Stated Policy Scenario); NZE (Net Zero Emissions Scenario). For more detail, please refer to the page Glossary.*
*2) Operational Capacity in Europe excluding Malta, Andorra, Switzerland, Lichtenstein, Norway, Lithuania, Estonia, Iceland, Monaco, San Marino and Luxembourg:*
*3) Nuclear Alliance formed in Europe consisting of 15 countries, aiming for 150 GW by 2050 from nuclear inputs. GW – Gigawatts*
*4) Share of Variable Renewables in World Electricity Mix*
*5) Total operational capacity of coal plants excluding China and India*
*6) Combined Heat and Power*
*7) Concentrated Solar Power*
*8) Organic Rankine Cycle*
*9) World Nuclear Association – Pipeline of Announced Projects*

# DOOSAN ŠKODA POWER: STRONG FINANCIAL POSITION WITH ATTRACTIVE DIVIDEND POTENTIAL

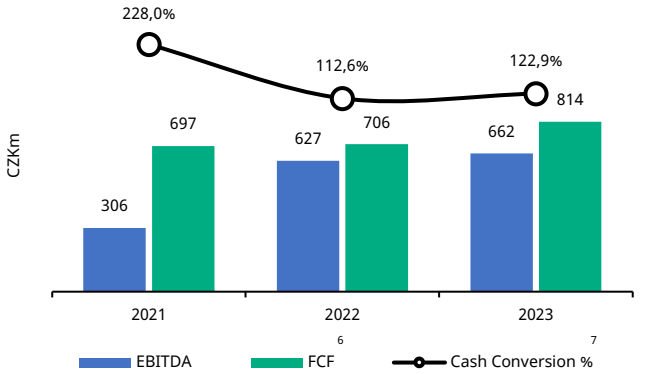
## Promising Backlog and Growing Revenues...



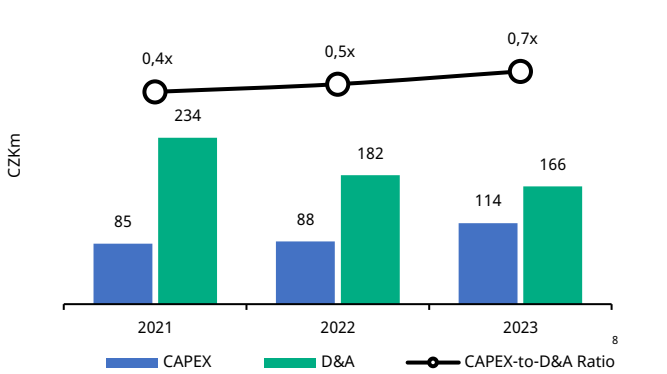

## ...with Increasing EBITDA and Net Income...



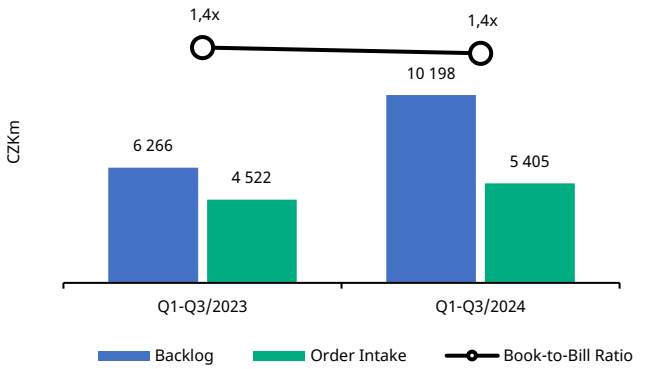

## ...Lead to Attractive Cash Generation...



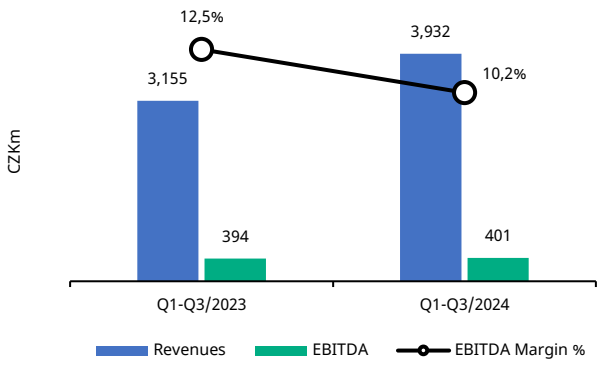

## ...While Not Capital Intensive




## Significant Increase in Order Intake and Backlog[9]




## Strong Increase in Revenues, Mild Increase in EBITDA[9]




- **High book-to-bill ratio** indicates strong customer demand for Doosan Škoda Power's products.
- In the years 2021 - 2023, Doosan Škoda Power's **revenues grew at 16.5%** and **EBITDA grew at 47.2% CAGR**.
- Doosan Škoda Power invests a **balanced** amount of **CapEx** for its growth.
- Following the listing, Doosan Škoda Power intends **a pay-out ratio 70%+ of net profit** backed by a solid balance sheet and strong cash generation. Dividend payments are subject to (i) the availability of sufficient distributable cash and without jeopardizing the Company's financial stability; (ii) net income being adjusted for extraordinary effects generally not related to the ordinary financial performance of the year; and (iii) shareholder approval for the distribution of dividends.
- In August 2024, Doosan Škoda Power initiated the process of a share capital reduction by the amount of CZK 1.85bn → Pro-Forma Equity Ratio following reduction stood at 58% of the Equity Ratio at the end of FY 2023.
- **Order Backlog increased by 62.8%** to CZK 10.2 billion compared to Q1-Q3, 2023 and by **17.7% as compared to end of year 2023.** Order intake **increased by 19.5%** compared to the previous year's period. The Book-to-Bill Ratio remained stable **at 1.4x.**
- Doosan Škoda Power **increased its revenues in Q1-Q3 2024 by 24.7%** compared to the Q3 2023, driven by the continuing **execution of 2023 backlog projects** and an **increase of LTSAs revenues by more than 162%** compared to the same period in 2023.
- EBITDA **increased by 1.8 %** while **EBITDA margin decreased to 10.2%**. The decrease in EBITDA margin was mainly **attributable to losses from hedging operations** in the amount of 24 million CZK (compared to 87 million CZK gain at Q3/23) and **change (increase) of warranty and other provisions** in the amount of 37 million CZK (compared to decrease of provisions by 61 million CZK at 3Q/23).

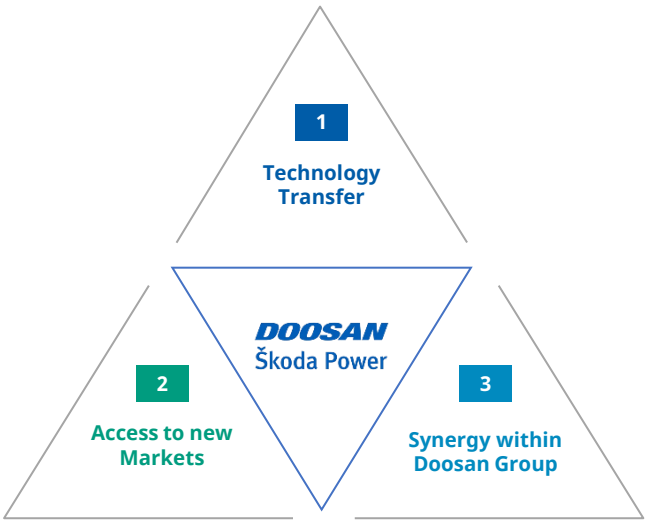
*Source: Company's Audited Consolidated Financial Statements for the years 2021, 2022 and 2023*
*Notes: 1) Backlog = Remaining performance obligations 2) Order Intake = Additions to Backlog in current period 3) Book-to-Bill Ratio calculated as Order Intake / Revenue; 4) Net Income = Profit for the period 5) EBITDA margin = EBITDA / Revenue; 6) FCF (Free Cash Flow) = Cash from operating activities – Acquisition of property, plant and equipment - Acquisition of intangible property + Proceeds from sale of property, plant and equipment - Income tax paid 7) Cash conversion = FCF / EBITDA 8) CAPEX-to-D&A Ratio calculated as CAPEX / Depreciation and amortization, where CAPEX = Acquisition of property, plant and equipment + Acquisition of intangible assets 9) Q1-Q3/2024 is referring to the January 1 to September 24 2024 period, and similarly, Q1-Q3/2023 is referring to the January 1 to September 24 2023 period*

# DOOSAN ŠKODA POWER: STRATEGIC INITIATIVES AND INVESTMENT RATIONALES

## ESTABLISHING AS THE EUROPEAN HUB OF DOOSAN GROUP AND UNLOCKING GROWTH OPPORTUNITIES THROUGH TECHNOLOGY TRANSFER AND PENETRATING NEW MARKETS

Benefitting from Status as European Hub within Doosan Group

### Doosan Group Intends to Promote Doosan Škoda Power as the European Hub within the Group




### 1 Technology and Know-how Transfer

- **Air-cooled generator technology transfer**
  - Manufacture generators instead of buying them thereby increasing overall competitiveness of Doosan Škoda Power
  - Supply of self-produced full package of steam turbine and generator
- **50hz 100MW gas/hydrogen turbine technology transfer**
  - Producing medium-sized gas turbines for decentralized power needs
  - Expected switch to hydrogen turbines as hydrogen infrastructure should expand to become a carbon-free energy source

### 2 Access to New Markets

- **Expansion of target markets with manufacturing and service in Central Europe**
  - Access to new customers and applications for gas turbines and generators
  - Close proximity to customer as an advantage of Doosan Škoda Power being a European hub

### 3 Increased Focus on Synergies within Doosan Group

- **Collaboration between Doosan Škoda Power with Doosan Enerbility on Nuclear Power Plants**
  - Ability to jointly participate in large, complex projects (e.g. Dukovany NPP and Temelín NPP[1] tender)
  - Enhanced competitiveness by European production hub for Doosan Group products
  - Benefit from Doosan Enerbility's position as large EPC[2] contractor globally

## LEADING GLOBALLY ACTIVE STEAM TURBINE OEM WITH CLEAR STRATEGIC GROWTH INITIATIVES

### Doosan Škoda Power Today

- One of the leading steam turbine OEMs based on its own IP with proven global track record
- Cutting edge manufacturing and R&D site located in the center of Europe
- Part of globally present Doosan Group
- Strong orderbook development paired with solid financial standing
- Solid growth expected in key areas of Combined Cycle, WtE, OEM Service, etc. based on recent market demand
- Entering high-margin service business with LTSA expansion and Retrofit & Modernization opportunities (including non-OEM service of e.g. LMZ, GE D11)

### Doosan Škoda Power Tomorrow

- Well-positioned with clearly defined growth initiatives addressing new products and markets driven by increasing electricity demand and decarbonization
- Building up a key position in the high-potential growth nuclear and SMR market through collaborations with Doosan and other market leaders
- Driving growth as a turbine total package provider by manufacturing medium-sized Gas and Hydrogen turbines and generators
- Maintain a steady dividend based on solid business performance
- Stable balance sheet and strong cash generation capability to continue support competitive dividend pay-out ratio

*Notes:*
*1) Nuclear Power Plant*
*2) Engineering, Procurement, and Construction*

# GROWTH AMBITIONS, RISKS, TIMETABLE AND CONTACTS

## GROWTH AMBITIONS

**Mid-Term Ambitions**

- Increase **Revenue** in the mid-term at a **mid-to-high-teens CAGR**.
- **EBITDA margin** to **gradually increase** in the mid-term above **mid-teens level**.
- In the mid-term, **CAPEX** is expected to be in the range of **CZK 275mn - 375mn** per annum.
- **Dividend Payout Ratio**: **>70%** based on **Net Profit** of previous financial year.[1]

## RISKS

Risks linked to the offering are described on pages 15 – 45 of the Prospectus published on 27 January 2025 and available at www.doosanskodapower.com. The public offering of shares of Doosan Škoda Power in the Czech Republic is conducted exclusively on the basis of a prospectus.

## TIMETABLE OF THE OFFERING

| Event | Date |
|---|---|
| Publication of the Prospectus | 27 January 2025 |
| Start of the Retail Offer Period | 27 January 2025 |
| End of the Retail Offer Period | 5 February 2025 |
| Pricing Date | 5 February 2025 |
| Allocations announced on | 6 February 2025 |
| First Trading Day | 6 February 2025 |
| Settlement Date | 10 February 2025 |

**January 2025**

| M | Tu | W | Th | F | Sa | Su |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

**February 2025**

| M | Tu | W | Th | F | Sa | Su |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | | |

## ORDERS FOR THE GROUP SHARES WITHIN THE OFFERING CAN BY PLACED WITH THE FOLLOWING RETAIL OFFERING AGENTS:

**Raiffeisenbank, a.s.**

Raiffeisen Bank

www.rb.cz/ipo
+420 234 401 826
investice@rb.cz

**WOOD Retail Investments a.s.**

portu
lepší místo pro peníze

www.o.portu.cz
+420 222 096 666
info@portu.cz

**J&T BANKA, a.s.**

J&T BANKA

www.jtbank.cz
+420 221 710 666
DealingCZ@jtbank.cz

*Notes: 1) subject to (i) the availability of sufficient distributable cash and without jeopardizing the Company's financial stability; (ii) net income being adjusted for extraordinary effects generally not related to the ordinary financial performance of the year; and (iii) shareholder approval for the distribution of dividends.*

# GLOSSARY

| Abbreviation | Explanation |
|---|---|
| BOP | Balance of Plant |
| CAGR | Compounded Annual Growth Rate |
| CCPP | Combined Cycle Power Plant |
| CHP | Combined Heat and Power |
| CSP | Concentrated Solar Power |
| EBITDA | Earnings Before Interest Taxation Depreciation and Amortization, EBITDA = Profit for the period + Income tax expense + Interest expenses – Interest revenues + Depreciation & Amortization |
| ETS | Scenario consistent with a 2.6C warming outcome. Assumes no further policy support for energy transition beyond existing measures and that technology transition only occurs where it lowers system cost or offers an attractive pay-back proposition to consumers |
| GW | Giga Watt |
| IPP | Independent Power Producer |
| LTSA | Long Term Service Agreements |
| MW | Mega Watt |
| NZS | Scenario consistentt with a 1.75C warming outcome. Describe an energy economy evolution that combines faster and greater deployment of renewable, nuclear and other low-carbon solutions to achieve net-zero emissions in 2050 |
| ORC | Organic Rankine Cycle |
| R&M | Retrofit & Modernization |
| ST | Steam Turbines |
| USC | Advanced Ultra-Supercritical (Turbine) |
| OEM | Own Equipment Manufacturer |
| Non-OEM | Not the Original Equipment Manufacturer |
| SMR | Small Modular Reactor |
| LMZ | Leningradsky Metallichesky Zavodi is Russian manufacturer of power machines and turbines |

DOOSAN

# LET'S STAY IN TOUCH!

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