

**Letter to Doosan Enerbility Shareholders (2<sup>nd</sup>)**

**Doosan Enerbility  
Business Restructuring  
through Spinoff Merger**

**Leaping Forward as  
a Global Clean Energy Leader**

**December 3, 2024**

***DOOSAN***

Dear Esteemed Shareholders of Doosan Enerbility,

Greetings. This is Sang Hyun Park, CFO & President of Doosan Enerbility (the "Company").

I would like to express my sincere gratitude for the interest and support you have shown regarding our recent business restructuring efforts. At the same time, I understand that some shareholders have raised questions about the potential effects of selling Bobcat externally instead of proceeding with this restructuring plan. First and foremost, I regret that we were unable to adequately compare the two options and explain them to our shareholders in advance. I would like to assure you that, after thorough deliberation and review, the Company has concluded that the current restructuring plan is more beneficial to both shareholders and the Company than an external sale of Bobcat.

The Company anticipates a wide range of business opportunities arising from factors such as: (i) the surge in overseas combined power generation projects due to increasing power demand in the Middle East, including Saudi Arabia, (ii) the growth of domestic combined-cycle power transition projects to replace aging coal-fired power plants (as outlined in the government's 11th long-term power supply plan), (iii) increased demand for SMRs (Small Modular Reactors) and gas turbines (to meet power demands before SMR adoption), driven by the growing need for independent power supply for data centers from big tech companies like Google, Amazon, and Microsoft; and (iv) global expansion in nuclear power plant construction (e.g., reconsideration of nuclear power in countries that have declared nuclear power phase out such as Italy and Switzerland, and new nuclear plant projects in Kazakhstan, Turkey, and Vietnam).

In response to these conditions, the Company must secure funding of at least KRW 500 billion to 600 billion per year to invest in: (i) enhancing gas turbine efficiency and production capacity; (ii) securing innovative material technology for SMR manufacturing to reduce production lead time; and (iii) stabilizing capacity for large-scale nuclear power plants, and growth can be accelerated only upon timely and swift investments in the foregoing areas.

Some may argue that selling Bobcat shares to an outside buyer might be a better option. However, initiating a sale process could cause significant business disruptions due to employee and dealer unrest. Unless in a critical situation, sale of shares is not a preferred option.

The uncertainty surrounding the timing and success of such a sale also needs to be considered. In particular, since Bobcat operates primarily overseas, it will need to file for business combination approvals in more than 10 jurisdictions (including South Korea and the EU), considering the sales volume of Bobcat. Predicting when these approvals will be finalized is difficult, and there is a risk of rejection depending on the buyer. (For context, according to the media reports, the ongoing merger between Korean Air and Asiana Airlines took about four years to obtain overseas regulatory approvals for business combinations.)

Additionally, given the current downturn in Bobcat's industry cycle, delays or uncertainties in a sale would be exacerbated. (Recent M&A success rates are only about 20%.)

For these reasons, the Company prioritized certainty and speed over the size of the proceeds from selling its Bobcat shares and opted for the spinoff merger method, which guarantees these attributes.

To minimize shareholder dissatisfaction, we also adjusted the merger ratio as favorably as possible. Initially, the merger ratio was calculated based solely on the market value of Bobcat shares. However, considering market concerns, we added a 43.7% management control premium to the market value of Bobcat shares, ensuring that Bobcat shares are valued as highly as possible to the extent legally permissible.

This calculation of the merger ratio assumes an external sale, valuing the earnings value of Bobcat at over KRW 70,000. This valuation recognizes nearly 9 to 10 times the current market consensus estimate of Bobcat's EBIT, which is KRW 800 billion. Therefore, we believe that this valuation is as close as possible to the external sale price of Bobcat shares.

Some compare the value of Bobcat shares to those of Caterpillar Inc. or Deere & Company. However, these companies are U.S.-listed, operate different core businesses, and generate nine times Bobcat's revenue while holding dominant positions in the U.S. market. Thus, a direct comparison is inappropriate. Moreover, since Bobcat is listed in South Korea, a "Korea Discount" would inevitably apply in the event of a sale. It is also important to consider that corporate taxes on capital gains would need to be paid upon the sale of shares.

The Company also sees opportunities for synergy creation through internal restructuring and finds it more appropriate to share the created synergy with its shareholders via the issuance of new Doosan Robotics shares. At the same time, this process enables the Company to shift its focus back to core operations by stepping away from its intermediate holding Company role.

The rationale and expected benefits of the restructuring have been explained to numerous potential investors in several briefings, all of which elicited positive responses.

Many potential investors expressed interest in purchasing the shares of the Company once uncertainties regarding whether the Financial Supervisory Service would accept the securities registration statement regarding the restructuring were resolved. This was evidenced by a 5.7% increase in share price on November 22, the day the securities filing with the Financial Supervisory Service took effect. If the market had determined that this business restructuring was disadvantageous to the Company, such a rise in stock price would not have been possible.

Finally, the ultimate decision on this restructuring rests with our shareholders. The final implementation will be determined by the vote at the shareholders' meeting. Considering the Company's future growth prospects outlined above, I sincerely ask for your thoughtful decision.

Sincerely,

Sang Hyun Park

CFO & President

Doosan Enerbility

We look forward to your strong support.

Thank you.

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