

Doosan Bobcat Inc. and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2025
with the independent auditor's report

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Independent auditor's report

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Audit opinion on internal control over financial reporting

Independent auditor's report on internal control over financial reporting for consolidation purposes

Management's report on the effectiveness of internal control over financial reporting for consolidation purposes



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Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: + 82 2 783 5890
ey.com/kr

Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors Doosan Bobcat Inc.

Opinion

We have audited the consolidated financial statements of Doosan Bobcat Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2025, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2025 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2025 based on the *Conceptual Framework for Design and Operation of ICFR* established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 16, 2026 expressed an unqualified opinion thereon.

Basis for opinion

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Revenue recognition - Estimation of marketing promotion expenses to customers

As described in Note 3 to the consolidated financial statements, the Group provides various promotions, incentives, and rebates (hereinafter referred to as "marketing promotion") to customers such as dealers, and recognizes amounts expected to be paid in the future related thereto (the "marketing promotion expenses") as accrued expenses, which are deducted from revenues. These accounting policies on revenue recognition significantly apply to the Group's subsidiaries, Doosan Bobcat North America, Inc. and Doosan Bobcat EMEA s.r.o. Especially, significant judgment by management is required in estimating the amount of marketing promotion expenses to be determined after the sale to the end customers by dealer.

The estimation of these marketing promotion expenses may vary depending on input variables involving management judgment, such as future end customer sales volume and promotional rates under contractual agreements, and thus has a significant impact on the consolidated financial statements. Therefore, we have selected the measurement of the marketing promotion expenses to be determined after the sale to the end customers by dealers of Doosan Bobcat North America, Inc. and Doosan Bobcat EMEA s.r.o. as a key audit matter as of December 31, 2025.

We performed the relevant audit procedures, including the following, by engaging the component auditors:

- Evaluate the design and operation effectiveness of internal controls in relation to the measurement of the marketing promotion expenses to be paid to customers.
- Assess whether the estimation method for marketing promotion expenses to be paid to customers is applied reasonably and consistently.
- Conduct external confirmations for sales volume information related to marketing promotion selected through sampling methods.
- Perform document inspection for dealer sales prices, past promotional expenditures and relevant contractual ratios selected through sampling methods.
- Compare prior year-end estimates with actual payments for selected transactions and review any significant changes.

(2) Goodwill impairment assessment

As described in Note 10 to the consolidated financial statements, the Group conducted an impairment testing on the cash-generating unit (“CGU”) or a group of CGUs to which the goodwill of Construction Equipment segment is allocated as of December 31, 2025. In order to determine the recoverable amount of the CGU, the Group estimated the value-in-use, by considering the future cash flows estimated based on the future financial budgets.

As of December 31, 2025, the carrying amount of goodwill of Construction Equipment segment is USD 2,714,864 thousand, accounting for 31.7% of total assets. In addition, the recoverable amount may vary depending on the estimated future cash flows, applicable discount rates and comparable companies selected, all of which are inputs requiring management’s judgement, and accordingly has a significant impact on the consolidated financial statements of the Group. Therefore, we have identified the estimation of the recoverable amount of the CGU to which the goodwill of Construction Equipment segment is allocated as a key audit matter.

We performed the relevant audit procedures, including the following:

- Obtain an understanding of and assess internal control related to goodwill impairment testing.
- Obtain an understanding of the CGU (or the group of CGUs) identified by management for goodwill impairment testing and assess reasonableness of the identified CGU.
- Make inquiries about and review the valuation models used by management.
- Assess independence and qualification of the external experts engaged by management for internal assessment.
- Assess the business plan approved in the Group and compare it with market information in order to assess the feasibility of key assumptions such as revenue, operating expense and growth rate estimated for the CGUs used in value-in-use calculation.

- Compare prior year's estimated cash flows with actual results and assess significant changes in order to assess the appropriateness of estimated future cash flows used in management's assessment.
- Compare the discount rates applied and the discount rates recalculated based on observable information by engaging auditor's valuation experts in order to assess the appropriateness of the discount rates applied.
- Perform an independent recalculation of the recoverable amounts provided by the Group.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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 KSA 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 KSA, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jee-Hoon Kim.



March 16, 2026

This audit report is effective as of March 16, 2026, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Doosan Bobcat Inc. and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2025

“The accompanying consolidated financial statements, including all footnotes and disclosures,
have been prepared by, and are the responsibility of, the Group.”

Scott Park
Chief Executive Officer
Doosan Bobcat Inc.

Doosan Bobcat Inc. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2025 and 2024

(in thousands of USD)

	Notes	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	4,5	\$ 1,389,744	\$ 1,263,123
Short-term financial instruments	4,5	5,896	4,896
Trade and other receivables, net	4,5,6,26,34,35	449,260	358,029
Inventories, net	7,34	1,172,615	1,350,329
Derivative assets	4,5,8	439	560
Other current assets	4,5	106,948	75,329
Total current assets		<u>3,124,902</u>	<u>3,052,266</u>
Non-current assets			
Long-term financial instruments	4,5	752	759
Long-term financial investments	4,5	9,367	8,312
Long-term other receivables, net	4,5,6,26,35	4,939	17,722
Investment in associates	12	11,457	6,874
Property, plant and equipment, net	9,13,34	1,247,092	1,124,224
Intangible assets, net	10,34	3,997,029	3,800,821
Investment properties	11	76,728	75,879
Deferred tax assets	31	48,571	48,533
Long-term derivative assets	4,5,8	1,501	1,638
Net defined benefit assets	17	15,070	11,297
Other non-current assets	4,5	21,046	21,479
Total non-current assets		<u>5,433,552</u>	<u>5,117,538</u>
Total assets		<u>\$ 8,558,454</u>	<u>\$ 8,169,804</u>
Liabilities			
Current liabilities			
Trade and other payables	4,5,14,26,35	\$ 1,367,227	\$ 1,179,182
Short-term borrowings	4,5,15,33,34,36	54,294	85,290
Current portion of long-term borrowings	4,5,15,33,34,36	81,291	34,467
Income tax payable		13,968	49,421
Derivative liabilities	5,8	-	3,220
Lease liabilities	4,5,13,35,36	37,485	34,808
Provisions	18	78,396	85,647
Sales and leaseback liabilities	4,5,16,36	11,347	12,470
Other current liabilities	4,5,26	249,536	193,561
Total current liabilities		<u>1,893,544</u>	<u>1,678,066</u>
Non-current liabilities			
Other non-current payables	4,5,14,35	16,692	11,645
Bonds	4,5,15,36	49,785	49,635
Long-term borrowings	4,5,15,33,34,36	848,552	1,055,181
Net defined benefit liabilities	17	103,396	104,006
Deferred tax liabilities	31	330,427	269,434
Long-term derivative liabilities	5,8	-	1,240
Non-current lease liabilities	4,5,13,35,36	77,758	89,171
Non-current provisions	18	61,605	79,867
Non-current sales and leaseback liabilities	4,5,16,36	32,959	32,812
Other non-current liabilities	26	132,153	108,608
Total non-current liabilities		<u>1,653,327</u>	<u>1,801,599</u>
Total liabilities		<u>\$ 3,546,871</u>	<u>\$ 3,479,665</u>
Equity			
Equity attributable to owners of the Parent Company			
Capital stocks	1,19	\$ 43,096	\$ 43,096
Capital surplus	19	1,479,496	1,479,496
Other equity component	20,21	(181,960)	(223,052)
Accumulated other comprehensive loss	22	(160,698)	(428,974)
Retained earnings	23	3,831,649	3,819,573
Total equity		<u>\$ 5,011,583</u>	<u>\$ 4,690,139</u>
Total liabilities and equity		<u>\$ 8,558,454</u>	<u>\$ 8,169,804</u>

The accompanying notes are an integral part of the consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Consolidated statements of profit or loss
for each of the two years in the period ended December 31, 2025

(in thousands of USD)

	Notes	Year ended December 31	
		2025	2024
Sales	24,25,26,35	\$ 6,181,806	\$ 6,269,305
Cost of sales	27	(4,795,515)	(4,809,489)
Gross profit		1,386,291	1,459,816
Selling and administrative expenses	27,28	(903,854)	(820,949)
Operating profit		482,437	638,867
Non-operating income (expenses)			
Finance income	5,29	127,647	158,924
Finance expenses	5,29	(183,273)	(180,193)
Other non-operating income	30,35	2,939	1,999
Other non-operating expenses	30,35	(24,709)	(34,159)
Gain (Loss) on equity method	12	173	(63)
		(77,223)	(53,492)
Profit before income tax expense		405,214	585,375
Income tax expense	31	(122,315)	(172,346)
Profit for the year		\$ 282,899	\$ 413,029
Profit is attributable to:			
Owners of the Parent Company		\$ 282,899	\$ 413,029
Earnings per share	32		
attributable to the owners of the Parent Company			
Basic earnings per share (unit : USD)		\$ 2.95	\$ 4.14
Diluted earnings per share (unit : USD)		\$ 2.95	\$ 4.13

The accompanying notes are an integral part of the consolidated financial statements..

Doosan Bobcat Inc. and its subsidiaries
Consolidated statements of comprehensive income or loss
for each of the two years in the period ended December 31, 2025

(in thousands of USD)

	Year ended December 31	
	2025	2024
Profit for the year	\$ 282,899	\$ 413,029
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of net defined benefit liabilities	3,626	1,130
Gain on revaluation of property, plant and equipment	10,025	1
<i>Items that may be subsequently reclassified to profit or loss</i>		
Gain (loss) on translation of foreign operations	255,061	(177,977)
Gain (loss) on valuation of derivatives	3,197	(3,704)
Other comprehensive income attributable to the associates' share	(7)	23
	<u>271,902</u>	<u>(180,527)</u>
Total comprehensive income for the year	<u>\$ 554,801</u>	<u>\$ 232,502</u>
Total comprehensive income for the year attributable to:		
Owners of the Parent Company	\$ 554,801	\$ 232,502

Doosan Bobcat Inc. and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2025

(in thousands of USD)

	Attributable to owners of the Parent Company					Total equity
	Capital stocks	Capital surplus	Other components of equity	Accumulated other comprehensive income (loss)	Retained earnings	
Balance as of January 1, 2024	\$ 43,096	\$ 1,479,496	\$ (180,206)	\$ (247,208)	\$ 3,523,104	\$ 4,618,282
Total comprehensive income:						
Profit for the year	-	-	-	-	413,029	413,029
Gains on remeasurements of net defined benefit liabilities	-	-	-	-	1,130	1,130
Losses on translation of foreign operations	-	-	-	(177,977)	-	(177,977)
Losses on valuation of derivatives	-	-	-	(3,704)	-	(3,704)
Gains on revaluation of property, plant and equipment	-	-	-	1	-	1
Share of other comprehensive income of associates	-	-	-	23	-	23
Reclassification of retained earnings due to disposal of equity instruments at fair value through other comprehensive income	-	-	-	(109)	109	-
	-	-	-	(181,766)	414,268	232,502
Capital transactions with owners						
Acquisition of treasury shares	-	(44,267)	-	-	-	(44,267)
Share-based payment transactions	-	1,421	-	-	-	1,421
Annual dividend	-	-	-	-	(59,967)	(59,967)
Interim dividend	-	-	-	-	(57,832)	(57,832)
	-	(42,846)	-	-	(117,799)	(160,645)
Balance as of December 31, 2024	\$ 43,096	\$ 1,479,496	\$ (223,052)	\$ (428,974)	\$ 3,819,573	\$ 4,690,139
Balance as of January 1, 2025	\$ 43,096	\$ 1,479,496	\$ (223,052)	\$ (428,974)	\$ 3,819,573	\$ 4,690,139
Total comprehensive income:						
Profit for the year	-	-	-	-	282,899	282,899
Gains on remeasurements of net defined benefit liabilities	-	-	-	-	3,626	3,626
Gains on translation of foreign operations	-	-	-	255,061	-	255,061
Gains on valuation of derivatives	-	-	-	3,197	-	3,197
Gains on revaluation of property, plant and equipment	-	-	-	10,025	-	10,025
Share of other comprehensive loss of associates	-	-	-	(7)	-	(7)
Capital transactions with owners						
Acquisition of treasury shares	-	(96,594)	-	-	-	(96,594)
Retirement of treasury shares	-	139,045	-	-	(139,045)	-
Share-based payment transactions	-	-	-	-	-	(1,359)
Annual dividend	-	-	-	-	(53,878)	(53,878)
Interim dividend	-	-	-	-	(81,526)	(81,526)
	-	41,092	-	-	(274,449)	(233,357)
Balance as of December 31, 2025	\$ 43,096	\$ 1,479,496	\$ (181,960)	\$ (160,698)	\$ 3,831,649	\$ 5,011,583

The accompanying notes are an integral part of the consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2025

(in thousands of USD)

	Note	Year ended December 31	
		2025	2024
Cash flows from operating activities			
Cash generated from operations:	36	\$ 989,075	\$ 775,137
Profit for the year		282,899	413,029
Adjustments		411,003	426,210
Changes in operating assets and liabilities		295,173	(64,102)
Interest received		40,192	47,235
Interest paid		(81,115)	(85,236)
Income tax paid		(125,758)	(203,992)
Net cash flows provided by operating activities		822,394	533,144
Cash flows from investing activities			
Cash inflows from investing activities:			
Decrease in loans		34	-
Disposal of property, plant and equipment		1,486	3,202
Disposal of Intangible assets		151	1,026
Decrease in long-term financial instruments		-	514
Decrease in short-term financial investments		-	256
Cash inflows from other investing activities		6,835	-
		<u>8,506</u>	<u>4,998</u>
Cash outflows for investing activities:			
Purchase of property, plant and equipment		168,382	201,163
Purchase of intangible asset		73,214	68,931
Purchase of investment properties		44	538
Purchase of investment in associates		4,404	2,558
Purchase of long-term financial investments		1,052	-
Business combination		-	155,508
Net cash flows used in investing activities		(247,096)	(428,698)
Cash flows from financing activities			
Cash inflows from financing activities:			
Increase in borrowings		58,492	315,259
Issuance of corporate bonds		-	49,550
Increase in sales and leaseback liabilities		14,338	10,541
		<u>72,830</u>	<u>375,350</u>
Cash outflows for financing activities:			
Repayment of borrowings		270,206	50,188
Payment of dividends		135,404	117,799
Payment of lease liabilities		41,249	35,547
Repayment of sales and leaseback liabilities		18,562	16,007
Acquisition of treasury shares		96,594	44,267
		<u>(562,015)</u>	<u>(263,808)</u>
Net cash flows provided by(used in) financing activities		(489,185)	111,542
Effects of exchange rate changes on cash and cash equivalents		32,002	(43,664)
Net increase in cash and cash equivalents		126,621	177,322
Cash and cash equivalents at the beginning of year		1,263,123	1,085,801
Cash and cash equivalents at the end of year		\$ 1,389,744	\$ 1,263,123

The accompanying notes are an integral part of the consolidated financial statements.

Doosan Bobcat Inc. and its subsidiaries

Notes to the consolidated financial statements

December 31, 2025 and 2024

1. General Information

Doosan Bobcat Inc. (“DBI” or the “Company”) was incorporated on April 25, 2014 by being split off from Doosan Infracore Co., Ltd. Main business purposes of the Company are to control and manage its subsidiaries (with the Company, collectively, referred to as the “Group”) that manufacture and distribute compact construction equipment mainly in North America, Europe, South America and Asia region.

On November 18, 2016, the Company listed its shares on the securities market established by the Korea Stock Exchange. After several capital increases and capital reductions, the capital stock as of December 31, 2025 is \$43,096 thousand.

Doosan Infracore Co., Ltd., the largest shareholder of the Company, was merged into Doosan Enerbility Co., Ltd. by dividing its investment business from the entity on July 1, 2021. As a result, the Company’s largest shareholder has been changed to Doosan Enerbility Co., Ltd.

The Company’s shareholders as of December 31, 2025 are as follows:

Shareholder	Number of shares owned	Percentages of ownership (%)
Doosan Enerbility Co., Ltd.	46,176,250	48.17
Treasury shares	142,263	0.15
Others	49,537,552	51.68
	<u>95,856,065</u>	<u>100.00</u>

1.1 Consolidated Subsidiaries

Details of the consolidated subsidiaries as of December 31, 2025 and 2024 are as follows:

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			December 31, 2025	December 31, 2024	
Doosan Bobcat North America Inc.	Manufacturing and sales	USA	100	100	December
Doosan Bobcat North America Inc.'s subsidiaries:					
Doosan Bobcat Canada Ltd.	Sales	Canada	100	100	December
Doosan Bobcat Mexico Monterrey, S. de R.L. de C.V.	Other service	Mexico	100	100	December
Doosan Bobcat EMEA s.r.o	Manufacturing and sales	Czech	100	100	December
Doosan Bobcat EMEA s.r.o's subsidiaries:					
Doosan Bobcat Bensheim GmbH	Sales	Germany	100	100	December
Doosan Bobcat Holdings France S.A.S.	Holdings	France	100	100	December
JSC Doosan International Russia	Sales	Russia	100	100	December
Doosan Bobcat UK Ltd.	Sales	England	100	100	December
Doosan Bobcat South Africa (PTY) Ltd.	Sales	South Africa	100	100	December
Doosan Bobcat France S.A.S	Manufacturing	France	100	100	December
Geith International Ltd.	Sales	Ireland	100	100	December
Doosan Bobcat Belgium B.V.	Sales	Belgium	100	100	December
Doosan Bobcat UK Northampton Ltd.	Sales	England	100	100	December
Doosan Bobcat Germany GmbH	Manufacturing and sales	Germany	100	100	December
Rushlift Ltd.	Rental and sales	England	100	100	December

Doosan Bobcat Inc. and its subsidiaries

Notes to the consolidated financial statements

December 31, 2025 and 2024

1.1 Consolidated Subsidiaries (cont'd)

Subsidiary	Main business	Location	Ownership interest held by the Group (%)		Fiscal year end
			December 31, 2025	December 31, 2024	
Rushlift GSE Limited ¹	Other service	England	100	100	December
Doosan Bobcat Singapore Pte. Ltd.	Holdings	Singapore	100	100	December
Doosan Bobcat Singapore Pte. Ltd.'s subsidiaries:					
Doosan Bobcat China Co., Ltd.	Manufacturing and sales	China	100	100	December
Doosan Bobcat German Frankfurt GmbH ²	Other service	Germany	100	-	December
Doosan Bobcat Korea Co., Ltd. (formerly, Doosan Industrial Vehicle Co., Ltd.) ³	Manufacturing and sales	Korea	100	100	December
Doosan Bobcat Korea Co., Ltd.'s subsidiaries:					
Doosan Bobcat China Yantai Co., Ltd.	Manufacturing and sales	China	100	100	December
Doosan Bobcat India Private Ltd. ⁴	Manufacturing and sales	India	100	100	March
Doosan Bobcat Japan ⁴	Sales	Japan	100	100	December
Doosan Bobcat Mexico S.A. de C.V. ⁴	Other service	Mexico	100	100	December
Doosan Mottrol Co., Ltd. ⁵	Manufacturing and sales	Korea	100	100	December
Doosan Mottrol Co., Ltd.'s subsidiaries:					
Doosan Mottrol China Jiangyin Co., Ltd. ⁵	Manufacturing and sales	China	100	100	December

¹ Newly established during the year ended December 31, 2024.

² Newly established during the year ended December 31, 2025.

³ During the year ended December 31, 2024, Doosan Industrial Vehicle Co., Ltd. absorbed Doosan Bobcat Korea Co., Ltd. and changed its name to Doosan Bobcat Korea Co., Ltd.

⁴ During the year ended December 31, 2024, the shares were transferred from Doosan Bobcat Singapore Pte. Ltd. to Doosan Bobcat Korea Co., Ltd.

⁵ During the year ended December 31, 2024, the Group acquired Doosan Mottrol Co., Ltd. and its subsidiary.

Doosan Bobcat Inc. and its subsidiaries

Notes to the consolidated financial statements

December 31, 2025 and 2024

1.2 Summarized Financial Information

The summarized financial information of the consolidated subsidiaries as of and for the year ended December 31, 2025 is as follows (in thousands of USD):

	December 31, 2025		Year ended December 31, 2025		
	Assets	Liabilities	Sales	Profit(loss) for the period	Total comprehensive income
Doosan Bobcat North America, Inc. and its subsidiaries:	\$ 5,392,440	\$ 2,633,973	\$ 4,672,114	\$ 247,285	\$ 253,343
Doosan Bobcat Canada Ltd.	172,877	52,455	290,545	9,321	9,321
Doosan Bobcat Mexico Monterrey, S. de R.L. de C.V	260,375	34,758	281	(8,234)	(7,756)
Doosan Bobcat EMEA s.r.o. and its subsidiaries:	2,395,158	568,642	1,343,861	25,763	27,230
Doosan Bobcat France S.A.S.	80,398	41,163	160,521	2,909	3,093
Doosan Bobcat Belgium B.V.	62,103	37,667	137,431	867	867
Doosan Bobcat Singapore Pte., Ltd. and its subsidiaries:	100,959	40,925	96,883	3,292	3,292
Doosan Bobcat China Co., Ltd	85,137	40,618	96,883	2,907	2,907
Doosan Bobcat Korea Co., Ltd. and its subsidiaries:	772,124	442,548	1,006,469	51,053	60,546
Doosan Bobcat India Private Ltd.	125,706	82,124	144,419	2,530	2,893
Doosan Mottrol Co., Ltd. and its subsidiaries:	208,970	53,065	158,671	(3,057)	(1,717)
Doosan Mottrol China Jiangyin Co., Ltd.	71,067	24,535	72,632	(881)	(881)

1.3 Changes in Scope of Consolidation

Changes in the scope of consolidation for each of the two years in the period ended December 31, 2025 are as follows:

Name of subsidiary	Year ended December 31, 2025	
	Details	Reason
Doosan Bobcat German Frankfurt GmbH	Included in the consolidation	Establishment

Name of subsidiary	Year ended December 31, 2024	
	Details	Reason
Doosan Bobcat Korea Co., Ltd. (formerly,)	Excluded from the consolidation	Merged
Doosan Mottrol Co., Ltd	Included in the consolidation	Acquired
Doosan Mottrol China Jiangyin Co., Ltd	Included in the consolidation	Acquired
Rushlift GSE Limited	Included in the consolidation	Establishment

Doosan Bobcat Inc. and its subsidiaries

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2. Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

The Group prepares statutory financial statements in Korean in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”), enacted by the *Act on External Audit of Stock Companies, etc.* The accompanying consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail. KIFRS are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment measured at fair value;
- assets held-for-sale measured at fair value less costs to sell; and
- defined benefit pension plans and plan assets measured at fair value.

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Changes in accounting policies and disclosures

2.2.1 New and amended standards and interpretations adopted by the Group

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability*

For annual reporting periods beginning on or after January 1, 2025, the amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments have no material impact on the Group’s consolidated financial statements.

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2.2.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to KIFRS 1109 and KIFRS 1107 - *Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 and KIFRS 1107 *Classification and Measurement of Financial Instruments* include:

- a clarification that a financial liability is derecognized on the "settlement date" and the introduction of an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date;
- additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- clarifications on what constitute "non-recourse features" and what are the characteristics of contractually linked instruments; and
- the introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments measured at fair value through other comprehensive income (OCI).

The amendments are effective for annual periods beginning on or after January 1, 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not plan to early adopt the amendments.

Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

- Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*
- Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
- Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
- Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted and must be disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

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2.2.2 Standards issued but not yet effective (cont'd)

Amendments to KIFRS 1109 and KIFRS 1107 - *Contracts Referencing Nature-dependent Electricity*

The amendments to KIFRS 1109 and KIFRS 1107 - *Contracts Referencing Nature-dependent Electricity* have been issued and include the followings:

- clarification of the application of the “own-use” requirements for in-scope contracts;
- amendments to the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- addition of new disclosure requirements to enable investors to understand the effect of these contracts on an entity’s financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted and must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the disclosure amendments to KIFRS 1107 must be implemented alongside the amendments to KIFRS 1109. If an entity does not restate comparative information, it cannot present comparative disclosures.

The amendments are not expected to have a material impact on the Group’s consolidated financial statements.

KIFRS 1118 *Presentation and Disclosure in Financial Statements*

KIFRS 1118 has been issued, which replaces KIFRS 1001 *Presentation of Financial Statements*. KIFRS 1118 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to KIFRS 1007 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from “profit or loss” to “operating profit or loss” and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

KIFRS 1118, and the amendments to the other standards, are effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. KIFRS 1118 will apply retrospectively.

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2.2.2 Standards issued but not yet effective (cont'd)

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on the Group's consolidated financial statements are as follows:

- share of profit of an associate and a joint venture will be classified in the investing category within the statement of profit or loss;
- foreign exchange difference will be classified in the category where the related income and expense giving rise to the foreign exchange difference were classified;
- new disclosure will be added: (1) management-defined performance measures (MPMs); (2) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (3) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying KIFRS 1118 and the amounts previously presented applying KIFRS 1001; and
- interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with KIFRS 1110 *Consolidated Financial Statements*.

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or business under common control. The assets and liabilities acquired under business combinations under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between consideration transferred and carrying amounts of net assets acquired is recognized in capital surplus.

In the case of accounting by the acquisition method, the consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

The excess of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Doosan Bobcat Inc. and its subsidiaries

Notes to the consolidated financial statements

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2.3 Consolidation (cont'd)

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the parent company.

When the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the subsidiary is remeasured to its fair value with the change in carrying amount recognized in profit or loss.

(2) Associates

Associates are entities over which the Group has significant influence but does not hold control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

(3) Joint Arrangements

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

Doosan Bobcat Inc. and its subsidiaries

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2.4 Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The Company's functional currency is Korean won, whereas the consolidated financial statements are presented in US dollar.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

(3) Translation to the presentation currency

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions; and
- all resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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2.5 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with insignificant risk of change in value.

2.6 Financial Assets

(1) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss;
- those to be measured at fair value through other comprehensive income; and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(2) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

① Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Doosan Bobcat Inc. and its subsidiaries

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2.6 Financial Assets (cont'd)

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in finance income or expenses and impairment losses are presented in other non-operating expenses.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within finance income or expenses in the year in which it arises.

② Equity instruments

- Fair value through other comprehensive income: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments, which held for long-term investment or strategic purpose, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continues to be recognized in profit or loss as "finance income" when the right to receive payments is established.
- Fair value through profit or loss: Changes in the fair value of financial assets at fair value through profit or loss are recognized in "other income and expenses" in the statement of profit or loss as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(3) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

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2.6 Financial Assets (cont'd)

(4) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Group classified the financial liability as borrowings in the statement of financial position.

(5) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.7 Derivative Instruments

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within other comprehensive income or loss and the ineffective portion is recognized in profit or loss.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has hedge relationships and designates certain derivatives as either:

- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 8. Movements in the cash flow hedge reserve are shown in Note 22.

The entirety of fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. A non-derivative financial asset and a non-derivative financial liability is classified as a current or non-current based on its expected maturity and its settlement, respectively.

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2.7 Derivative Instruments (cont'd)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity, limited to the cumulative change in fair value (present value) of the hedged item (the present value of the cumulative change in the future expected cash flows of the hedged item) from the inception of the hedge. The ineffective portion is recognized in profit or loss.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognized in the cash flow hedge reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ("aligned time value") are recognized within the costs of hedging in other comprehensive income within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot element as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot element of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item is recognized within other comprehensive income within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss (for example through cost of sales); and
- the gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in profit or loss within "finance cost" at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any accumulated cash flow hedge reserve at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cash flow hedge reserve and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

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2.8 Inventory

Inventories are stated at the lower of cost and net realizable value. Cost of inventories includes fixed and variable manufacturing overhead costs that are systematically allocated to inventories using appropriate methods based on each category of inventory. The cost of inventories is determined using the weighted average method, except for materials in transit which are determined using specific identification method. During the year, perpetual inventory systems are used to value inventories, which are adjusted to physical inventory counts performed at the end of the year.

The Group periodically reviews changes in net realizable value of its inventories (current replacement cost for raw materials) due to damage, obsolescence, decline in selling prices and others and, if appropriate, recognizes loss on inventory valuation. Loss on inventory valuation is charged to cost of sales when it is ordinary and to other expense when it is extraordinary. When the circumstances that previously caused inventories to be written down below cost no longer exist and the new market value of inventories subsequently recovers, the related valuation loss is reversed to the extent of the original valuation loss when the reversal is deducted from cost of sales.

2.9 Non-current Assets (or Disposal Group) Held-for-sale

Non-current assets (or disposal group) are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

2.10 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost and subsequently recorded at cost, less accumulated depreciation and accumulated impairment losses, except for land, which is recorded using the valuation model. When the useful life of each part of an item of property, plant and equipment is different compared to that of the item, each part is recognized separately. The cost of an item of property, plant and equipment is directly attributable to its purchase or construction, including the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Land is carried at its revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluations are performed periodically to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period. Increases in the carrying amount arising from revaluation are credited to revaluation surplus in other comprehensive income. However, to the extent that an increase reverses a revaluation decrease previously recognized in profit or loss for the same asset, the increase is recognized in profit or loss. Revaluation losses are recognized in profit or loss. However, to the extent that a decrease reverses a revaluation surplus previously recognized in other comprehensive income for the same asset, the decrease is recognized in other comprehensive income.

Subsequent costs incurred to replace part of previously recognized item of property, plant and equipment are added to the carrying amount of an asset, or recognized as a separate asset, if it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of what was replaced is derecognized. Routine maintenance and repairs are expenses as incurred.

Doosan Bobcat Inc. and its subsidiaries

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2.10 Property, Plant and Equipment (cont'd)

Land is not depreciated. Depreciation expense for property, plant and equipment other than land is computed using the straight-line method, which reflects most closely the pattern in which the asset's economic benefits are expected to be consumed by the Group over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Buildings	10 – 40 years
Machinery	5 – 15 years
Vehicles	3 – 6 years
Office equipment	3 – 10 years

If a part of a property, plant and equipment has a cost that is significant in relation to the total cost of property, plant and equipment, it is depreciated separately.

The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

When the carrying amount of property, plant and equipment is higher than the recoverable amount, the carrying amount is adjusted to the recoverable amount and the difference is recognized as an impairment loss. Meanwhile, when the recoverable amount subsequently exceeds the carrying amount of the impaired asset, the excess is recorded as a reversal of impairment loss to the extent that the reversed asset does not exceed the carrying amount before previous impairment as adjusted by depreciation. Upon derecognition of property, plant and equipment, the difference between the net disposal proceed and the carrying amount of the item is recognized in other non-operating income (expense).

2.11 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.12 Government Grants

For the purpose of acquisition of certain assets, government grants related to assets are accounted for as a deduction from related assets on the date that the related assets are received.

If a government grant that will be received is not subject to specific conditions attached to it, government grants related to primary operating activity are recognized in operating income; otherwise, those are recognized in other non-operating income. Meanwhile, expense related to the government grants is to be offset first and then recognized in profit and loss.

2.13 Intangible Assets

Intangible assets are initially measured at cost and are carried at cost, less accumulated amortization and accumulated impairment losses. Subsequent expenditure on an intangible asset is capitalized only when it is probable that the expected future economic benefits that are attributable to the asset will increase.

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2.13 Intangible Assets (cont'd)

Intangible assets other than goodwill and intangible assets with indefinite useful lives are amortized using the straight-line method with no residual value, with amortization beginning when the asset is available for use. However, useful lives of membership and other intangible assets with similar nature are determined to be indefinite as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflow from the Group and they are not amortized, but tested for impairment once a year.

	<u>Useful lives</u>
Industrial rights	5 – 10 years
Development costs	5 years
Other intangible assets	3 – 20 years

Goodwill acquired from business combination is measured as the consideration transferred in excess of acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired and is classified as intangible assets. Goodwill is not subject to amortization and tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses, if any. Impairment loss recognized for goodwill is not reversed. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

Expenditures relating to development activities are capitalized when the result of the development is for the development of new products or substantial improvement of functions of existing products, there is technical and commercial feasibility of completing the development and the Group has the ability to measure reliably the expenditure attributable to the development. Capitalized development costs include expenditure on materials, salaries, wages and other employment-related costs of personnel directly engaged in generating assets and related overhead cost that is systematically allocated. Capitalized development costs are presented at the acquisition cost, less accumulated amortization and accumulated impairment losses. Capitalized development costs are amortized using the straight-line method over the estimated useful life and amortization expenses are included in cost of goods manufactured and amortization in selling and administrative expenses. The expenditure on research and development that does not meet the conditions noted above is recognized as an expense when it is incurred.

The estimated useful life and amortization method for intangible assets with finite useful lives are reviewed at the end of each reporting period and for the assets that have been assessed as having indefinite useful life, that assessment is revisited each period, with the effect of any changes in estimate being accounted for as a change in accounting estimate.

2.14 Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land and investment property replaced by leased assets, using the straight-line method over their useful life of 19 years.

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2.15 Impairment of Non-financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.16 Financial Liabilities

(1) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not designated as hedging instruments and an embedded derivative that is separated are also classified as other financial liabilities.

Financial liabilities at fair value through profit or loss, financial guarantee contracts, and financial liabilities arising when a transfer of a financial asset does not qualify for derecognition are classified as financial liabilities measured at amortized cost. All financial liabilities are initially recognized at fair value, and in the case of borrowings, net of directly attributable transaction costs.

The Group classifies financial liabilities arising from supplier finance arrangements as trade and other payables in the consolidated statement of financial position if they have similar characteristics and functions to trade payables. This is the case when the supplier finance arrangement is part of the working capital used in the normal operating cycle, the level of collateral provided is similar to that of trade payables, and the terms of the liability arising from the supplier finance arrangement are not substantially different from those of trade payables not subject to supplier finance arrangements. Cash flows related to financial liabilities arising from supplier finance arrangements classified as trade and other payables are included in operating activities in the consolidated statement of cash flows.

(2) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability expired or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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2.16 Financial Liabilities (cont'd)

(4) Financial Guarantee Contracts

A financial guarantee contract refers to the contract that requires the issuer to pay the specified amounts to reimburse the holder for a loss because the specified debtor fails to make payment when due under original or revised contractual terms of debt instruments.

Financial guarantee contracts are initially recognized at fair value. The liability is initially measured at fair value, subsequently at the higher of following and recognized in the statement of financial position within "other liabilities".

- the amount determined in accordance with the expected credit loss model; and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with KIFRS 1115 *Revenue from Contracts with Customers*.

2.17 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is measured using the present value of the cash flows estimated to settle the present obligation when the effect of the time value of money is material. At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. The increase in provision due to passage of time is recognized as interest expense. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received. In the consolidated statements of profit or loss, a net amount is presented, being the anticipated cost of the obligation, less the reimbursement.

2.18 Current and Deferred Tax

The tax expense for the year consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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2.18 Current and Deferred Tax (cont'd)

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, The Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis.

2.19 Employee Benefits

(1) Post-employment benefits

The Group operates both defined contribution and defined benefit pension plans.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contribution has been paid. The contribution is recognized as employee benefit expense when due.

A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depends on the employee's age, periods of service and salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

(2) Share-based Compensation

The Group's share-based compensation transactions for services received from its employees are share-settled or cash-settled. Share-settled transactions granted to employees are measured at the fair value of equity instruments at the grant date and are recognized as profit or loss and other capital items at a fixed rate over the vesting period. Furthermore, cash-settled transactions granted to employees are remeasured at the fair value of the equity instrument at the end of each reporting period and at the settlement date until the liability is settled, and changes in fair value are recognized in profit or loss. It is recognized as current expenses and liabilities over the vesting period until settlement.

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2.20 Revenue Recognition

(1) Identification of performance obligation

The Group engages in manufacturing and distributing compact construction equipment. The Group provides an extended warranty service in connection with the sale of product based on the contract.

(2) Performance obligations recognized over the period of time: Extended warranty services

The Group provides an extended warranty for products for coverage beyond the standard warranty period, and a customer has an option to purchase the extended warranty separately. Therefore, the extended warranty is classified as separate performance obligation according to KIFRS 1115, and a portion of the transaction price is allocated to that performance obligation in order to recognize revenue based on the progress towards complete satisfaction of the performance obligation.

(3) Allocation of the transaction price to each of the separate performance obligations

The Group allocates the transaction price in an arrangement to each separate performance obligation based on the relative stand-alone selling prices of the goods or services being provided to a customer. The stand-alone selling prices of goods or services are observable in most cases. However, if the stand-alone selling prices are not directly observable, the Group estimates the selling prices by using expected cost plus a margin approach.

(4) Sales with a right of return

The Group estimates an amount of variable consideration by using the expected value which the Group expects to better predict the amount of consideration. The Group recognize revenue with transaction price including variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the refund period has lapsed. The refund liability is measured at the amount of consideration received for which the Group does not expect to be entitled.

2.21 Lease

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

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2.21 Lease (cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that is based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the Group (the lessee) under residual value guarantees;
- the exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option.

Lease liability measurement also includes payments to be made in option periods if the lessee is reasonably certain to exercise an option to extend the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group determines the incremental borrowing rate as follows:

- if possible, the interest rate of third-party borrowings applied to the individual lessee is adjusted to reflect changes in the lessee's financial position subsequent to the borrowing date; and
- lease-specific adjustments, including country, currency, collateral and guarantees, are reflected.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If the Group as a lessee is reasonably certain to exercise the option, the right-to-use asset is depreciated over the useful life of the underlying asset.

Lease payments for short-term lease (a lease term of 12 months or less at the commencement date) and lease of low value assets (at acquisition cost less than or equal to \$ 5,000) will be recognized immediately in profit or loss.

2.22 Earnings Per Share

Basic earnings per common share are computed by dividing net income attributable to owners of the Group by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share are computed by dividing diluted net income attributable to the owners of the Group, which is adjusted by adding back the after-tax amount of expenses related to dilutive potential ordinary shares, by the weighted-average number of common shares and dilutive potential ordinary shares outstanding during the period. Antidilutive potential ordinary shares are disregarded in the calculation of diluted earnings per share.

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2.23 Dividend

Dividend payable is recognized as liability when declaration of the dividend is approved at the shareholders' meeting.

2.24 Segment Reporting

Information on each operating segment is reported in a manner consistent with the internal business segment reporting provided to management. The management of the Group is responsible for allocating resources and assessing performance of the operating segments.

2.25 Approval of Issuance of the Financial Statements

The consolidated financial statements were approved for issue by the Board of Directors on February 11, 2026, and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires assumptions and estimates about the future, and management is required to make judgments in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from these estimates, which could result in significant adjustments in future periods. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows. Additional information on significant judgments and estimates for certain items is included in the respective notes.

(1) Revenue recognition – Revenue deductions

The Group offers customers a variety of promotion and incentive programs and its costs incurred are recognized as deductions from revenue. Any unsettled amounts are recognized on an accrual basis. These liabilities related to revenue deductions are estimated by the expected value based on historical experience and judgement of management when the related revenue is recognized. The Group's revenue is affected by these estimated revenue deductions.

(2) Impairment of goodwill

The Group annually performs impairment assessment on goodwill. Recoverable amount of cash-generating units is based on the higher of value in use or net fair value (fair value less cost of disposals). In determining value in use, management estimates future cash flows to be derived from the asset or cash generating units and applies the appropriate discount rate to those future cash flows. Refer to Note 10 for details including key assumptions.

(3) Impairment of capitalized development cost

The Group performs an assessment for impairment of capitalized development costs at the end of each reporting period by reviewing project's business forecast, technical feasibility and future economic benefit. The assessment on indication of impairment or calculation of recoverable amount of capitalized development costs involves management's estimates and judgments (see Note 10).

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3. Critical Accounting Estimates and Assumptions (cont'd)

(4) Income taxes

The Group's taxable income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain.

Current and deferred income tax is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period when the asset is realized or the liability is settled. However, the ultimate corporate income tax may not correspond to the related assets and liabilities recognized at the end of the current reporting period. Such difference may affect current and deferred tax assets and liabilities at the time when final tax effect is determined.

A deferred tax asset is recognized for the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The future taxable profit measured by management's estimate involves management's significant judgement, and this could affect the Group's deferred tax assets.

If certain portion of the taxable income is not used for investments, increase in wages or others in accordance with the tax system for recirculation of corporate Income, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by these tax effects. As the Group's income tax is dependent on the investments, increase in wages and others, there is an uncertainty measuring the final tax effects (see Note 31).

(5) Net defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (see Note 17).

(6) Warranty provision

The Group provides warranty for products when the related revenue is recognized. At the end of each reporting period, provisions are recorded for the best estimated costs to fulfill current and future warranty obligations. These estimates may change in future due to additional provisions required under local legislation and practice (see Note 18).

(7) Impairment of financial assets

The provision for impairment for financial assets is based on assumptions about risk of default and expected loss rates in accordance with KIFRS 1109. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past experience, existing market conditions as well as forward looking estimates at the end of each reporting period (see Note 4.1.2).

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4. Financial Risk Management

4.1 Financial Risk Factors

The Group's financial risk management focuses on improving financial structure and efficiency of liquidity management for stable and consistent financial performance of the Group by minimizing market risk, credit risk and liquidity risk.

The Group's financial risk management activities are mainly carried out by its treasury function, with the cooperation of the Group's other functions, to identify, assess, and hedge financial risks based on financial risk management policies and to monitor potential impacts of financial risks regularly.

4.1.1 Market Risk

(1) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign entities.

Foreign currency risk is managed based on the Group's policy on foreign currencies and the Group's key strategy for managing this risk is to reduce the volatility of financial results arising from fluctuations in foreign exchange rates.

The Group's financial assets and liabilities exposed to foreign exchange risk as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025				
	USD	EUR	GBP	Others ¹	Total
Financial assets	\$ 543,494	\$ 197,312	\$ 20,613	\$ 49,632	\$ 811,051
Financial liabilities	(601,219)	(69,441)	(13,831)	(59,919)	(744,410)
Net financial assets(liabilities)	\$ (57,725)	\$ 127,871	\$ 6,782	\$ (10,287)	\$ 66,641

	December 31, 2024				
	USD	EUR	GBP	Others ¹	Total
Financial assets	\$ 625,048	\$ 59,353	\$ 19,681	\$ 26,559	\$ 730,641
Financial liabilities	(588,733)	(69,710)	(11,030)	(29,438)	(698,911)
Net financial assets(liabilities)	\$ 36,315	\$ (10,357)	\$ 8,651	\$ (2,879)	\$ 31,730

¹ Others are assets and liabilities denominated in foreign currencies other than USD, EUR and GBP.

The table below summarizes the impact of weakened/strengthened functional currency on the Group's profit before income tax expense for the period (in thousands of USD). The analysis is based on the assumption that the functional currency has weakened/strengthened by 10% against the respective foreign currencies above with all other variables held constant.

	Impact on the profit before income tax estimated for			
	Year ended December 31, 2025		Year ended December 31, 2024	
	10% increase in foreign exchange currency rate	10% decrease in foreign exchange currency rate	10% increase in foreign exchange currency rate	10% decrease in foreign exchange currency rate
Profit (loss) before tax	\$ 6,664	\$ (6,664)	\$ 3,173	\$ (3,173)

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4.1.1 Market Risk (cont'd)

(2) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate because of changes in future market interest rate. The interest rate risk mainly arises from floating rate deposits and borrowings.

The Group manages interest rate risk through various activities. These include minimizing external borrowings by utilizing internal fund availability, reducing borrowings with higher interest rates, improving maturity structure of borrowings, maintaining appropriate balance between floating rate and fixed rate, and a regular monitoring of market trend and developing action plans.

Financial assets and liabilities with floating interest rates exposed to interest rate risk as of December 31, 2025 and 2024 are as follows (in thousands of USD). However, financial liabilities invested in derivative products for the purpose of hedging risk of interest fluctuations are excluded (see Note 8).

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets	\$ 131,345	\$ 56,767
Financial liabilities	971,615	1,151,265
Net financial assets (liabilities)	<u>\$ (840,270)</u>	<u>\$ (1,094,498)</u>

The table below summarizes the impact of increases/decreases of interest rate on the Group's profit before income tax expense for the period. The analysis is based on the assumption that the interest rate has increased/decreased by 1% (100 basis points) with all other variables held constant (in thousands of USD):

	<u>Impact on the profit before income tax estimated for</u>			
	<u>Year ended</u>		<u>Year ended</u>	
	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>100 bp</u>	<u>100 bp</u>	<u>100 bp</u>	<u>100 bp</u>
	<u>increase</u>	<u>decrease</u>	<u>increase</u>	<u>decrease</u>
Profit (loss) before tax	\$ (8,403)	\$ 8,403	\$ (10,945)	\$ 10,945

4.1.2 Credit Risk

Credit risk arises during the normal course of transactions and investing activities where customers or other parties are unable to meet contractual obligations. The Group sets out and monitors credit limits for its customers and counterparts on a periodic basis considering financial conditions, historical experiences and other factors.

Credit risk arises from cash and cash equivalents, derivatives and deposits in banks and financial institutions, as well as the Group's receivables. Main objectives of credit risk management are to efficiently manage credit risk based on the Group's credit policies, to promptly support decision-making processes and to minimize financial losses through safeguarding receivables.

An allowance for doubtful accounts is specifically recognized for the receivables with impairment indicators individually identified. The Group uses the simplified approach to recognize the loss allowance for lifetime expected credit loss for a group of receivables with similar credit-risk nature that are not individually significant.

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4.1.2 Credit Risk (cont'd)

Maximum exposures of financial assets of the Group exposed to credit risk as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash and cash equivalents	\$ 1,389,744	\$ 1,263,123
Short-term financial instruments ¹	5,896	4,896
Trade and other receivables	449,260	358,029
Long-term financial instruments ²	752	759
Long-term financial investments ³	7,015	6,112
Long-term other receivables	4,939	17,722
Derivative assets	439	560
Long-term derivative assets	1,501	1,638
Other assets (current and non-current)	8,926	7,914
	<u>\$ 1,868,472</u>	<u>\$ 1,660,753</u>

¹ Short-term financial instruments include deposits restricted in use in relation to Win-win growth fund.

² Long-term financial instruments include deposits restricted in use in relation to government bids, and deposits pledged as collaterals in relation to sublease deposits.

³ Among the long-term financial investments, equity instruments were excluded from the exposure to credit risk.

In addition to the above, the maximum amounts of payment guarantees (refer to Note 33) of the Group upon a guaranteed party's claim based on the guarantee arrangement are exposed to credit risk.

The aging analysis of the Group's trade and other receivables as of December 31, 2025 and 2024 is as follows (in thousands of USD):

	<u>December 31, 2025</u>						
	<u>Individually impaired receivables</u>	<u>Receivables assessed for impairment on a collective basis</u>					<u>Total</u>
		<u>Within due</u>	<u>0-3 months</u>	<u>3-6 months</u>	<u>6-12 months</u>	<u>Over 12 months</u>	
Trade receivables	\$ 3,201	\$ 349,859	\$ 70,758	\$ 6,845	\$ 2,493	\$ 6,101	\$ 439,257
Other receivables	1,589	12,337	3,178	654	6	-	17,764
Accrued income	1,011	131	25	-	-	-	1,167
Short-term loans	-	41	-	-	-	-	41
Long-term other receivables	-	4,815	-	-	-	-	4,815
Long-term loans	-	124	-	-	-	-	124
	<u>\$ 5,801</u>	<u>\$ 367,307</u>	<u>\$ 73,961</u>	<u>\$ 7,499</u>	<u>\$ 2,499</u>	<u>\$ 6,101</u>	<u>\$ 463,168</u>

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4.1.2 Credit Risk (cont'd)

		December 31, 2024					
		Receivables					
Individually impaired receivables		assessed for impairment on a collective basis					Total
		Within due	0-3 months	3-6 months	6-12 months	Over 12 months	
Trade receivables	\$ 3,552	\$ 281,540	\$ 45,713	\$ 709	\$ 1,167	\$ 2,781	\$ 335,462
Other receivables	6,053	14,289	6,042	452	-	-	26,836
Accrued income	2,266	-	36	-	-	-	2,302
Short-term loans	79	33	-	-	-	-	112
Long-term other receivables	-	17,571	-	-	-	-	17,571
Long-term loans	-	151	-	-	-	-	151
	\$ 11,950	\$ 313,584	\$ 51,791	\$ 1,161	\$ 1,167	\$ 2,781	\$ 382,434

Receivables with specific impairment indicators such as insolvency and bankruptcy are individually assessed using appropriate allowance rates. A group of financial assets with similar credit risk natures that are not individually significant is assessed on expected credit losses based on aging analysis and the credit risk characteristics.

The aging analysis on the Group's allowance for doubtful accounts for trade and other receivables as of December 31, 2025 and 2024 is as follows (in thousands of USD):

		December 31, 2025					
Allowance for doubtful accounts for individually impaired receivables		Allowance for doubtful accounts assessed for impairment on a collective basis					
		Within due	0-3 months	3-6 months	6-12 months	Over 12 months	Total
Trade receivables	\$ 2,890	\$ 254	\$ 234	\$ 270	\$ 518	\$ 3,762	\$ 7,928
Other receivables	995	4	18	23	1	-	1,041
	\$ 3,885	\$ 258	\$ 252	\$ 293	\$ 519	\$ 3,762	\$ 8,969

		December 31, 2024					
Allowance for doubtful accounts for individually impaired receivables		Allowance for doubtful accounts assessed for impairment on a collective basis					
		Within due	0-3 months	3-6 months	6-12 months	Over 12 months	Total
Trade receivables	\$ 3,288	\$ 852	\$ 209	\$ 84	\$ 337	\$ 1,849	\$ 6,619
Other receivables	-	-	33	31	-	-	64
	\$ 3,288	\$ 852	\$ 242	\$ 115	\$ 337	\$ 1,849	\$ 6,683

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4.1.3 Liquidity Risk

Liquidity risk refers to the risk that the Group may encounter difficulties in meeting its obligations to repay financial liabilities or obtain additional funding for its normal business operation due to liquidity shortage.

The Group secures and maintains the appropriate level of liquidity volume and accordingly manages the liquidity risk in advance by forecasting the projected cash flows from operating, investing and financing activities periodically.

Details of the annual repayment schedule of financial liabilities (except derivatives) as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025					
	Book value	Contractual nominal cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	\$ 760,063	\$ 760,063	\$ 760,063	\$ -	\$ -	\$ -
Other payables (current and non-current)	623,856	623,856	607,164	11,665	2,357	2,670
Other current liabilities	4,293	4,293	4,293	-	-	-
Borrowings	984,137	1,161,455	186,785	83,472	780,621	110,577
Lease liabilities	115,243	125,985	41,591	30,372	50,704	3,318
Bonds	49,785	53,160	2,107	51,053	-	-
Sales and leaseback liabilities	44,306	47,316	12,311	10,556	18,642	5,807
	\$ 2,581,683	\$ 2,776,128	\$ 1,614,314	\$ 187,118	\$ 852,324	\$ 122,372

	December 31, 2024					
	Book value	Contractual nominal cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	\$ 642,702	\$ 642,702	\$ 642,702	\$ -	\$ -	\$ -
Other payables (current and non-current)	548,124	548,124	536,480	7,168	2,144	2,332
Other current liabilities	3,659	3,659	3,659	-	-	-
Borrowings	1,174,938	1,412,728	180,343	125,157	1,107,228	-
Lease liabilities	123,979	137,704	39,445	30,874	53,503	13,882
Bonds	49,635	55,140	2,056	2,056	51,028	-
Sales and leaseback liabilities	45,282	52,532	15,167	12,233	20,391	4,741
	\$ 2,588,319	\$ 2,852,589	\$ 1,419,852	\$ 177,488	\$ 1,234,294	\$ 20,955

The amounts of financial liabilities by remaining maturity included in the above represent undiscounted contractual nominal cash flows (including interest expenses), assuming the earliest period in which the Group can be required to pay, and therefore differ from the financial liabilities recognized in the consolidated statements of financial position. In addition, apart from the financial liabilities above, the maximum exposure related to the financial guarantees provided by the Group as of December 31, 2025 is discussed in Note 33.

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4.1.3 Liquidity Risk (cont'd)

The carrying amount of the Group's liabilities arising from supplier finance arrangements as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The carrying amount of financial liabilities (trade payables) subject to supplier finance arrangements	\$ 136,818	\$ 91,052
The carrying amount corresponding to the portion for which the supplier has already received payment from the finance provider	60,175	43,791

Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group from the Group's external finance provider. The normal payment terms for the Group's trade payables and the payment terms for liabilities (trade payables) included in the supplier finance arrangements are the same.

4.2 Capital Risk Management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-equity ratio which is calculated by dividing total liabilities by total equity in the financial statements.

Debt-to-equity ratios as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Debt	\$ 3,546,871	\$ 3,479,665
Equity	5,011,583	4,690,139
Debt-to-equity ratio	<u>70.77%</u>	<u>74.19%</u>

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5. Financial Instruments by Category

5.1 Carrying Amounts of Financial Instruments by Category

The classification of financial assets and liabilities by category as of December 31, 2025 and 2024 is as follows (in thousands of USD):

	December 31, 2025				Total
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Other financial assets ¹	
Assets:					
Cash and cash equivalents	\$ 1,389,744	\$ -	\$ -	\$ -	1,389,744
Short-term financial instruments	5,896	-	-	-	5,896
Trade and other receivables	384,670	-	64,590	-	449,260
Derivative assets (current and non-current)	-	91	-	1,849	1,940
Long-term other receivables	4,939	-	-	-	4,939
Long-term financial instruments	752	-	-	-	752
Long-term financial investments	-	9,367	-	-	9,367
Other assets (current and non-current)	8,926	-	-	-	8,926
	<u>\$ 1,794,927</u>	<u>\$ 9,458</u>	<u>\$ 64,590</u>	<u>\$ 1,849</u>	<u>\$ 1,870,824</u>

	December 31, 2025			Total
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other financial liabilities ¹	
Liabilities:				
Trade and other payables	\$ 1,367,227	\$ -	\$ -	1,367,227
Bonds	49,785	-	-	49,785
Borrowings	984,137	-	-	984,137
Sales and leaseback liabilities (current and non-current)	44,306	-	-	44,306
Other current liabilities	4,293	-	-	4,293
Other non-current payables	16,692	-	-	16,692
Financial guarantee liability	-	-	27,394	27,394
Lease liabilities (current and non-current)	-	-	115,243	115,243
	<u>\$ 2,466,440</u>	<u>\$ -</u>	<u>\$ 142,637</u>	<u>\$ 2,609,077</u>

¹ Including lease liabilities that are not subject to the categories of financial liabilities and derivative instruments used for hedging.

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5.1 Carrying Amounts of Financial Instruments by Category (cont'd)

	December 31, 2024				
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Other Financial Assets ¹	Total
Assets:					
Cash and cash equivalents	\$ 1,263,123	\$ -	\$ -	\$ -	\$ 1,263,123
Short-term financial instruments	4,896	-	-	-	4,896
Trade and other receivables	351,388	-	6,641	-	358,029
Derivative assets (current and non-current)	-	-	-	2,198	2,198
Long-term other receivables	17,722	-	-	-	17,722
Long-term financial instruments	759	-	-	-	759
Long-term financial investments	-	8,312	-	-	8,312
Other non-current assets	7,914	-	-	-	7,914
	<u>\$ 1,645,802</u>	<u>\$ 8,312</u>	<u>\$ 6,641</u>	<u>\$ 2,198</u>	<u>\$ 1,662,953</u>

	December 31, 2024			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other financial liabilities ¹	Total
Liabilities:				
Trade and other payables	\$ 1,179,182	\$ -	\$ -	\$ 1,179,182
Bonds	49,635	-	-	49,635
Borrowings	1,174,938	-	-	1,174,938
Derivative liabilities (current and non-current)	-	1,240	3,220	4,460
Sales and leaseback liabilities (current and non-current)	45,282	-	-	45,282
Other current liabilities	3,659	-	-	3,659
Other non-current payables	11,645	-	-	11,645
Financial guarantee liability	-	-	24,377	24,377
Lease liabilities (current and non-current)	-	-	123,979	123,979
	<u>\$ 2,464,341</u>	<u>\$ 1,240</u>	<u>\$ 151,576</u>	<u>\$ 2,617,157</u>

¹ Including lease liabilities that are not subject to the categories of financial liabilities.

During the year ended December 31, 2025, there have been no significant changes in the business and economic environment affecting the fair value of the Group's financial assets and liabilities.

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5.2 Fair Value Hierarchy

The fair value hierarchy classifications of the financial instruments that are measured at fair value as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025			
	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$ -	\$ 91	\$ 9,367	\$ 9,458
Financial assets at fair value through other comprehensive income	-	64,590	-	64,590
Other financial assets (Hedging derivatives)	-	1,849	-	1,849
	<u>\$ -</u>	<u>\$ 66,530</u>	<u>\$ 9,367</u>	<u>\$ 75,897</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss	\$ -	\$ -	\$ -	-
Other financial liabilities (Hedging derivatives)	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2024				
	Level 1 ¹	Level 2 ¹	Level 3 ¹	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$ -	\$ -	\$ 8,312	\$ 8,312
Financial assets at fair value through other comprehensive income	-	6,641	-	6,641
Other financial assets (Hedging derivatives)	-	2,198	-	2,198
	<u>\$ -</u>	<u>\$ 8,839</u>	<u>\$ 8,312</u>	<u>\$ 17,151</u>
Financial liabilities:				
Financial liabilities at fair value through profit or loss	\$ -	\$ 1,240	\$ -	\$ 1,240
Other financial liabilities (Hedging derivatives)	-	3,220	-	3,220
	<u>\$ -</u>	<u>\$ 4,460</u>	<u>\$ -</u>	<u>\$ 4,460</u>

¹ Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability.

Level 3 – Unobservable inputs for the asset or liability.

However, financial assets and financial liabilities for which the carrying amount is a reasonable approximation of fair value have been excluded from fair value disclosure.

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5.3 Changes in Fair Value of Level 3 Financial Instruments

Changes in level 3 financial instruments measured at fair value for the year ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025				
	Beginning	Fair value evaluation	Acquisition	Others ¹	Ending
Financial assets at fair value through profit or loss	\$ 8,312	\$ 1	\$ 1,052	\$ 2	\$ 9,367

¹ Others include effect of foreign exchange translation, etc.

5.4 Net Gains or Losses by Category of Financial Instruments

Net gains or losses of each category of financial instruments for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025						Other comprehensive income(loss)
	Profit (loss) for the period						
	Interest income (expense)	Bad debt expense	Loss on disposal	Gain(loss) on derivatives	Gain on valuation	Others	
Financial assets:							
Financial assets at amortized cost	\$ 39,050	\$ (3,291)	\$ -	\$ -	\$ -	\$ -	\$ -
Financial assets at fair value through profit or loss	-	-	-	1,435	1	-	-
Financial assets at fair value through other comprehensive income	-	-	(5,806)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	4,013
	<u>\$ 39,050</u>	<u>\$ (3,291)</u>	<u>\$ (5,806)</u>	<u>\$ 1,435</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,013</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (63,786)	\$ -	\$ (293)	\$ -	\$ -	\$ (4,068)	\$ -
Financial liabilities at fair value through profit or loss	-	-	-	(1,409)	-	-	-
Other financial liabilities	(5,797)	-	-	-	-	(321)	-
	<u>\$ (69,583)</u>	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ (1,409)</u>	<u>\$ -</u>	<u>\$ (4,389)</u>	<u>\$ -</u>

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5.4 Net Gains or Losses by Category of Financial Instruments (cont'd)

	Year ended December 31, 2024						Other comprehensive income(loss)
	Profit(loss) for the period						
	Interest income (expense)	Bad debt expense	Loss on disposal	Gain(loss) on derivatives	Gain on valuation	Others	
Financial assets:							
Financial assets at amortized cost	\$ 48,747	\$ (999)	\$ -	\$ -	\$ -	\$ -	-
Financial assets at fair value through profit or loss	594	-	(49)	384	1	-	-
Financial assets at fair value through OCI	-	-	(7,326)	-	-	-	-
Other financial assets (Hedging derivatives)	-	-	-	-	-	-	(4,652)
	<u>\$ 49,341</u>	<u>\$ (999)</u>	<u>\$ (7,375)</u>	<u>\$ 384</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (4,652)</u>
Financial liabilities:							
Financial liabilities at amortized cost	\$ (72,369)	\$ -	\$ (1,606)	\$ -	\$ -	\$ (3,186)	-
Financial liabilities at fair value through profit or loss	-	-	-	(864)	-	-	-
Other financial liabilities	(6,139)	-	-	-	-	(231)	-
	<u>\$ (78,508)</u>	<u>\$ -</u>	<u>\$ (1,606)</u>	<u>\$ (864)</u>	<u>\$ -</u>	<u>\$ (3,417)</u>	<u>\$ -</u>

Other comprehensive income and loss (before tax) stated above resulted solely from cash flow hedge derivatives.

In addition, foreign exchange differences arising from transactions in foreign currencies other than derivative contracts, including gain or loss from foreign exchange translation and transactions, resulted mainly from financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial liabilities measured at amortized cost.

5.5 Offsetting Financial Assets and Financial Liabilities

The following table presents the recognized financial instruments subject to enforceable master netting arrangements and other similar agreements as of December 31, 2025 (in thousands of USD):

	Subject to application of master netting agreement		
	Gross amount of financial instruments recognized	Gross amount of financial instruments set off	Net amounts presented in the statement of financial position
Financial assets:			
Trade receivables	\$ 6,169	\$ (2,645)	\$ 3,524
Other receivables	656	(510)	146
	<u>\$ 6,825</u>	<u>\$ (3,155)</u>	<u>\$ 3,670</u>
Financial liabilities:			
Trade payables	\$ (13,863)	\$ 3,155	\$ (10,708)

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6. Trade and Other Receivables

Trade and other receivables as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025		
	Gross	Allowance for doubtful accounts	Net
Current:			
Trade receivables	\$ 439,257	\$ (7,928)	\$ 431,329
Other receivables	17,764	(1,041)	16,723
Accrued income	1,167	-	1,167
Short-term loans	41	-	41
Subtotal	<u>458,229</u>	<u>(8,969)</u>	<u>449,260</u>
Non-current:			
Long-term other receivables	\$ 4,815	\$ -	\$ 4,815
Long-term loans	124	-	124
Subtotal	<u>4,939</u>	<u>-</u>	<u>4,939</u>
Total	<u>\$ 463,168</u>	<u>\$ (8,969)</u>	<u>\$ 454,199</u>
December 31, 2024			
	Gross	Allowance for doubtful accounts	Net
Current:			
Trade receivables	\$ 335,462	\$ (6,619)	\$ 328,843
Other receivables	26,836	(64)	26,772
Accrued income	2,302	-	2,302
Short-term loans	112	-	112
Subtotal	<u>364,712</u>	<u>(6,683)</u>	<u>358,029</u>
Non-current:			
Long-term other receivables	\$ 17,571	\$ -	\$ 17,571
Long-term loans	151	-	151
Subtotal	<u>17,722</u>	<u>-</u>	<u>17,722</u>
Total	<u>\$ 382,434</u>	<u>\$ (6,683)</u>	<u>\$ 375,751</u>

Changes in allowance for doubtful accounts for each of the two years in the period December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025		
	Trade receivables	Other receivables	Total
Beginning balance	\$ 6,619	\$ 64	\$ 6,683
Increase (reversal)	2,174	1,096	3,270
Write-off	(979)	(109)	(1,088)
Others	114	(10)	104
Ending balance	<u>\$ 7,928</u>	<u>\$ 1,041</u>	<u>\$ 8,969</u>

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6. Trade and Other Receivables (cont'd)

	Year ended December 31, 2024		
	Trade receivables	Other receivables	Total
Beginning balance	\$ 10,591	\$ 42	\$ 10,633
Increase (reversal)	856	30	886
Write-off	(3,903)	-	(3,903)
Others	(925)	(8)	(933)
Ending balance	<u>\$ 6,619</u>	<u>\$ 64</u>	<u>\$ 6,683</u>

Past due receivables are considered impaired. An allowance for doubtful accounts is recognized by applying a specifically established loss allowance ratio for the receivables with impairment indicators individually identified and by using an expected credit loss amount estimated based on credit risk characteristics and past due days for a group of financial assets with similar credit risk natures that are not individually significant. The allowance for doubtful accounts is included in selling and administrative expenses and other non-operating expenses in the consolidated statements of profit or loss.

7. Inventories

Inventories as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025		
	Acquisition cost	Valuation allowance	Net book value
Merchandise and finished goods	\$ 646,409	\$ (51,573)	\$ 594,836
Work in progress	32,680	(58)	32,622
Raw materials	474,934	(36,918)	438,016
Materials in transit	107,141	-	107,141
	<u>\$ 1,261,164</u>	<u>\$ (88,549)</u>	<u>\$ 1,172,615</u>

	December 31, 2024		
	Acquisition cost	Valuation allowance	Net book value
Merchandise and finished goods	\$ 718,533	\$ (47,332)	\$ 671,201
Work in progress	40,282	(58)	40,224
Raw materials	560,854	(38,288)	522,566
Materials in transit	116,338	-	116,338
	<u>\$ 1,436,007</u>	<u>\$ (85,678)</u>	<u>\$ 1,350,329</u>

The cost of inventories recognized as expense and included in cost of sales for the year ended December 31, 2025 amounts to \$ 4,308,718 thousand (December 31, 2024: \$ 4,559,823 thousand). Losses on inventory valuation included in cost of sales amount to \$ 2,871 thousand for the year ended December 31, 2025 (December 31, 2024: \$ 18,407 thousand).

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7. Inventories (cont'd)

Meanwhile, certain inventories described above have been pledged as collateral in connection with the Groups' borrowings (see Notes 15 and 34).

8. Derivatives

The Group's derivative contracts are classified as follows:

Purpose	Type of derivative instruments	Description
Cash flow hedge	Foreign currency forward	A contract in order to avoid cash flow risk arising from forecasted sales in foreign currencies
	Foreign currency swap	A contract in order to avoid cash flow risk arising from changes in currency rate and interest rate of forecasted cash flows in foreign currencies
Trading	Interest rate swap	A contract in which an interest rate swap is entered into to avoid risk arising from future interest rate changes but hedge accounting is not applied

Details of the valuation of derivatives as of December 31, 2025 and 2024 are as follows (in thousands of respective currencies and in thousands of USD):

December 31, 2025						
Buy				Sell		
Currency	Amount	Average contract exchange rate (in Korean won)/ interest rate	Currency	Amount	Average contract exchange rate (in Korean won)/ interest rate	
Foreign currency forward	KRW	26,158,800	1,453.27	USD	18,000	1,453.27
Foreign currency swap	USD	50,000	SOFR+1.05%	KRW	68,575,000	4.42%
Interest rate swap	EUR	49,094	3M EURIBOR	EUR	49,094	2.47%

December 31, 2025			
	Derivative assets (liabilities)	Gain on valuation of derivatives	Accumulated other comprehensive income (loss)¹
Foreign currency forward	\$ 293	\$ -	\$ 293
Foreign currency swap	1,556	-	(653)
Interest rate swap	91	1,435	-
	\$ 1,940	\$ 1,435	\$ (360)

¹ Presenting the amount before taxes.

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8. Derivatives (cont'd)

December 31, 2024						
Buy			Sell			
Currency	Amount	Average contract exchange rate (in Korean won)/ interest rate	Currency	Amount	Average contract exchange rate (in Korean won)/ interest rate	
Foreign currency forward	KRW 96,200,290	1,394.21	USD	69,000	1,394.21	
Foreign currency swap	USD 50,000	SOFR+1.05%	KRW	68,575,000	4.42%	
Interest rate swap	EUR 31,937	3M EURIBOR	EUR	31,937	3.10%	

December 31, 2024			
	Derivative assets (liabilities)	Loss on valuation of derivatives	Accumulated other comprehensive income (loss) ¹
Foreign currency forward	\$ (3,203)	\$ -	\$ (3,203)
Foreign currency swap	2,181	-	(1,170)
Interest rate swap	(1,240)	(864)	-
	<u>\$ (2,262)</u>	<u>\$ (864)</u>	<u>\$ (4,373)</u>

¹ Presenting the amount before taxes.

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9. Property, Plant and Equipment

Changes in property, plant and equipment for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025							Total
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	
Beginning	\$ 191,029	\$ 257,906	\$ 359,377	\$ 2,006	\$ 31,980	\$ 159,158	\$ 122,768	\$ 1,124,224
Acquisition / capital expenditure	48	5,565	41,126	813	5,870	153,988	31,784	239,194
Disposal / retirements	-	(189)	(1,947)	(254)	(240)	-	-	(2,630)
Depreciation	-	(13,631)	(95,285)	(846)	(12,121)	-	(40,257)	(162,140)
Revaluation	13,399	-	-	-	-	-	-	13,399
Others & transfer ¹	9,233	16,783	54,514	201	2,526	(47,059)	(1,153)	35,045
Ending	<u>\$ 213,709</u>	<u>\$ 266,434</u>	<u>\$ 357,785</u>	<u>\$ 1,920</u>	<u>\$ 28,015</u>	<u>\$ 266,087</u>	<u>\$ 113,142</u>	<u>\$ 1,247,092</u>
Acquisition cost	\$ 213,709	\$ 427,426	\$ 975,432	\$ 7,646	\$ 119,654	\$ 266,325	\$ 239,901	\$ 2,250,093
Accumulated depreciation	-	(156,955)	(612,275)	(5,718)	(91,240)	-	(126,759)	(992,947)
Government grants	-	(1,093)	-	-	(1)	(238)	-	(1,332)
Accumulated impairment losses	-	(2,944)	(5,372)	(8)	(398)	-	-	(8,722)

¹ Including machinery that is transferred through sale and leaseback transactions but recognized as an asset held by the Group as it does not meet the criteria for derecognition.

	Year ended December 31, 2024							Total
	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Right-of-use assets	
Beginning	\$ 135,613	\$ 235,818	\$ 331,608	\$ 1,995	\$ 34,457	\$ 112,149	\$ 124,760	\$ 976,400
Acquisition / capital expenditure	27,109	6,035	40,761	539	7,700	136,327	40,463	258,934
Disposal	-	(520)	(1,737)	(167)	(108)	(789)	-	(3,321)
Depreciation	-	(11,595)	(84,424)	(609)	(12,695)	-	(37,712)	(147,035)
Impairment	-	(18)	(40)	(150)	(98)	-	-	(306)
Reversal of impairment	-	-	146	-	-	-	-	146
Business combination	40,422	17,814	17,223	248	3,431	2,098	4,796	86,032
Others & transfer ¹	(12,115)	10,372	55,840	150	(707)	(90,627)	(9,539)	(46,626)
Ending	<u>\$ 191,029</u>	<u>\$ 257,906</u>	<u>\$ 359,377</u>	<u>\$ 2,006</u>	<u>\$ 31,980</u>	<u>\$ 159,158</u>	<u>\$ 122,768</u>	<u>\$ 1,124,224</u>
Acquisition cost	\$ 191,029	\$ 401,539	\$ 905,741	\$ 7,361	\$ 112,927	\$ 159,246	\$ 223,341	\$ 2,001,184
Accumulated depreciation	-	(139,700)	(540,176)	(5,203)	(80,420)	-	(100,573)	(866,072)
Government grants	-	(1,087)	(353)	-	(9)	(88)	-	(1,537)
Accumulated impairment losses	-	(2,846)	(5,835)	(152)	(518)	-	-	(9,351)

¹ Including machinery that is transferred through sale and leaseback transactions but recognized as an asset held by the Group as it does not meet the criteria for derecognition.

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9. Property, Plant and Equipment(cont'd)

As of December 31, 2025, certain property, plant and equipment included above are pledged as collateral in relation to the borrowings (see Notes 15 and 34).

Details of revaluation model which the Group applies to measurement of the land are as follows:

The Group subsequently revaluates land at fair value on the revaluation date. As of December 31, 2025, the fair value of land was determined based on appraisals performed as of October 31, 2025 by independent appraisers including First Appraisal & Consulting Co., Ltd., which have no relationship with the Group. The appraisers including First Appraisal & Consulting Co., Ltd. possess appropriate qualifications and experience in connection with the valuation of real estate.

Meanwhile, the carrying amount of land revalued using the cost models is USD 186,819 thousand as of December 31, 2025.

Fair value measurements of land by fair value hierarchy level as of December 31, 2025 are as follows (in thousands of USD):

	December 31, 2025		
	Level 1	Level 2	Level 3
Land	\$ -	\$ -	\$ 213,709

Valuation technique and inputs used for fair value measurement of land (Level 3) above are the comparable transaction method etc., under which the indicated value of the subject property is estimated by comparing it with transaction cases of properties having the same or similar value drivers, and by applying adjustments to reflect the subject property's conditions, including adjustments for specific circumstances, time adjustments, and comparisons of value-forming factors

The classification of depreciation expenses for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Year ended</u> <u>December 31, 2024</u>
Cost of sales	\$ 131,155	\$ 118,640
Selling and administrative expenses	30,985	28,395
	<u>\$ 162,140</u>	<u>\$ 147,035</u>

Details of borrowing costs capitalized as property, plant and equipment by the Group for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Year ended</u> <u>December 31, 2024</u>
Capitalized borrowing costs	11,528	4,745
Capitalized interest rate	6.30%	6.67% ~ 8.04%

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10. Intangible Assets

Changes in intangible assets for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025					
	Goodwill	Industrial rights	Development costs	Construction in progress	Others	Total
Beginning	\$ 2,592,213	\$ 962,228	\$ 99,802	\$ 70,842	\$ 75,736	\$ 3,800,821
Internal development	-	-	25,002	-	-	25,002
Acquisition	-	89	-	43,483	2,989	46,561
Disposal/ Retirements	-	(2)	(55)	(74)	(47)	(178)
Amortization	-	(130)	(22,985)	-	(32,547)	(55,662)
Impairment loss	-	-	(5,392)	-	(172)	(5,564)
Reversal of impairment loss	-	-	95	-	-	95
Others & transfer	135,603	41,580	990	(62,550)	70,331	185,954
Ending	<u>\$ 2,727,816</u>	<u>\$ 1,003,765</u>	<u>\$ 97,457</u>	<u>\$ 51,701</u>	<u>\$ 116,290</u>	<u>\$ 3,997,029</u>
Acquisition cost	\$ 2,727,816	\$ 1,147,321	\$ 455,077	\$ 51,701	\$ 276,709	\$ 4,658,624
Accumulated amortization and impairment losses	-	(143,556)	(357,620)	-	(160,419)	(661,595)

	Year ended December 31, 2024					
	Goodwill	Industrial rights	Development costs	Construction in progress	Others	Total
Beginning	\$ 2,658,320	\$ 985,278	\$ 125,261	\$ 42,624	\$ 54,396	\$ 3,865,879
Internal development	-	-	18,350	-	-	18,350
Acquisition	-	58	-	46,806	5,391	52,255
Disposal/ Retirements	-	-	-	(383)	(1,186)	(1,569)
Amortization	-	(148)	(33,870)	-	(17,666)	(51,684)
Impairment loss	-	(2,500)	(7,013)	-	(7)	(9,520)
Business combination	14,084	9	-	172	21,988	36,253
Others & transfer	(80,191)	(20,469)	(2,926)	(18,377)	12,820	(109,143)
Ending	<u>\$ 2,592,213</u>	<u>\$ 962,228</u>	<u>\$ 99,802</u>	<u>\$ 70,842</u>	<u>\$ 75,736</u>	<u>\$ 3,800,821</u>
Acquisition cost	\$ 2,592,213	\$ 1,107,037	\$ 421,255	\$ 70,842	\$ 212,130	\$ 4,403,477
Accumulated amortization and impairment losses	-	(144,809)	(321,453)	-	(136,394)	(602,656)

As of December 31, 2025, the carrying amount of goodwill and other intangible assets with indefinite useful lives included in others above is \$3,732,685 thousand (December 31, 2024: \$3,557,360 thousand).

Some items of intangible assets stated above are pledged as collateral as of December 31, 2025 in connection with the Group's borrowings (see Notes 15 and 34).

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10. Intangible Assets (cont'd)

Details of development costs as of December 31, 2025 are as follows (in thousands of USD):

		<u>Balance</u>	<u>Remaining amortization period (months)</u>
Compact product development (relating to new models and emission regulations)	Development in progress	\$ 42,232	
	Being amortized	40,438	40
Portable Power product development (relating to new models and emission regulations)	Development in progress	16	
	Being amortized	2,702	24
Forklift product development (relating to new models and emission regulations)	Development in progress	8,301	
	Being amortized	3,768	33
		<u>\$ 97,457</u>	

Classification of impairment losses (reversal) on intangible assets for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Other non-operation income	\$ 95	\$ -
Other non-operation expense	5,564	9,520

Impairment losses (reversal) on intangible assets for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Individual asset</u>	<u>Book value</u>	<u>Accumulated impairment losses</u>	
			<u>December 31, 2025</u>	<u>December 31, 2024</u>
Development costs	eMEX Shells E32e, E19e and others	\$ 75	\$ 1,279	\$ 1,136
	MEX 1-2T Upgrade and others	30	5,283	4,623
	CWL PL1 and others	310	2,150	1,988
	Next Generation Display and others	-	2,531	-
	Generators Stage V and others	398	329	-
	Electric ZT Mower	596	2,486	-
Industrial property rights	RYAN trademark right	-	4,943	4,943
	STEINER trademark right	-	2,500	2,500
Other intangible assets	Membership	824	158	154
	OEM MES project and others	-	132	-

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10. Intangible Assets (cont'd)

The classification of amortization expenses for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Cost of sales	\$ 29,371	\$ 37,897
Selling and administrative expenses	26,291	13,787
	<u>\$ 55,662</u>	<u>\$ 51,684</u>

Expenditures on research and development recognized as expenses amount to \$152,975 thousand for the year ended December 31, 2025 (December 31, 2024: \$156,075 thousand).

Details of borrowing costs capitalized as intangible assets by the Group for each of the two years in the period ended December 31, 2025 are follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Capitalized borrowing costs	1,369	1,831
Capitalized interest rate	6.30%	4.53% ~ 8.04%

The Group has allocated goodwill to its cash-generating unit groups. For the purpose of impairment testing, the cash-generating unit groups to which goodwill has been allocated are as follows, and they have been allocated to the Group's former operating segments (in thousands of USD):

Cash-generating unit group	Description	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Construction Equipment	Manufacturing and sales of construction equipment	\$ 2,714,864	\$ 2,579,570
Hydraulic Equipment	Manufacturing and sales of hydraulic equipment	12,952	12,643
		<u>\$ 2,727,816</u>	<u>\$ 2,592,213</u>

The Group uses cash flow projections based on the five-year period financial budgets approved by the management. The financial budgets are determined based on historical results and an expectation of market growth. Key assumptions used for value-in-use calculation are as follows:

	<u>Construction Equipment</u>	<u>Hydraulic Equipment</u>
Permanent growth rate	1.50%	1.00%
Discount rate ¹	8.30%	11.17%

¹ The discount rate is applied to the expected cash flow.

The cash flows expected for periods after five years were estimated within the range of long-term average growth rate of market. The discount rates used reflect relevant risks specific to the cash-generating units. The Group performed an impairment test in consideration of the value-in-use and concluded that the carrying value of cash generating units does not exceed the recoverable amount. Therefore, no impairment loss is recognized based on the impairment test for the year ended December 31, 2025.

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11. Investment Properties

Changes in investment properties for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025		
	Land	Building	Total
Beginning	\$ 62,704	\$ 13,175	\$ 75,879
Acquisition / capital expenditure	-	44	44
Depreciation	-	(1,060)	(1,060)
Others	1,534	331	1,865
Ending	<u>\$ 64,238</u>	<u>\$ 12,490</u>	<u>\$ 76,728</u>
Acquisition cost	\$ 64,238	\$ 18,684	\$ 82,922
Accumulated depreciation	-	(6,194)	(6,194)

	Year ended December 31, 2024		
	Land	Building	Total
Beginning	\$ 71,486	\$ 15,595	\$ 87,081
Acquisition / capital expenditure	-	538	538
Depreciation	-	(1,080)	(1,080)
Others	(8,782)	(1,878)	(10,660)
Ending	<u>\$ 62,704</u>	<u>\$ 13,175</u>	<u>\$ 75,879</u>
Acquisition cost	\$ 62,704	\$ 18,195	\$ 80,899
Accumulated depreciation	-	(5,020)	(5,020)

Rental income incurred from investment properties held by the Group for the year ended December 31, 2025 amounts to \$3,228 thousand (December 31, 2024: \$3,348 thousand).

Fair value of investment properties as of December 31, 2025 is as follows (in thousands of USD):

	December 31, 2025
Land	\$ 84,220
Building	15,222
	<u>\$ 99,442</u>

The fair value of the investment properties was determined as of October 31, 2025 by an independent appraiser, First Appraisal & Consulting Co., Ltd. ("FACC"), which has no relationship with the Group. FACC possesses appropriate qualifications and experience in connection with the valuation of real estate.

Following the fair value measurement performed at the time of initial recognition of the investment properties, the Group has assessed that subsequent changes in fair value are not significant.

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12. Investment in Associates

Investments in associates that are accounted for using the equity method as of December 31, 2025 and 2024 are as follows:

Associates	Principal business activity	Location	Fiscal year end	Percentages of ownership (%)	
				2025	2024
Ainstein AI, Inc. ¹	Manufacturing of electronic sensing devices and others	USA	December	9.09	9.09
Presto Lite Asia Co., Ltd.	Manufacturing of motors and generators	Korea	December	32.31	32.31
Doosan New Technology Investment Fund No. 1 ²	Other financial investments	Korea	December	19.80	19.80

¹ The Group is deemed to have significant influence over the entity as it has the right to make decisions in the entity's Board of Directors meeting.

² The Group is deemed to have significant influence over the entity by holding the right to make decisions in the general meeting of the Fund's members.

Details of investments in associates that are accounted for using the equity method as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	Percentages of ownership (%)	December 31, 2025		
		Acquisition cost	Book value	Net asset value
Ainstein AI, Inc.	9.09	\$ 2,000	\$ 2,106	\$ 228
Presto Lite Asia Co., Ltd.	32.31	2,467	2,785	2,785
Doosan New Technology Investment Fund No. 1	19.80	6,962	6,566	6,566
		<u>\$ 11,429</u>	<u>\$ 11,457</u>	<u>\$ 9,579</u>

	Percentages of ownership (%)	December 31, 2024		
		Acquisition cost	Book value	Net asset value
Ainstein AI, Inc.	9.09	\$ 2,000	\$ 1,991	\$ 113
Presto Lite Asia Co., Ltd.	32.31	2,467	2,616	2,616
Doosan New Technology Investment Fund No. 1	19.80	2,558	2,267	2,267
		<u>\$ 7,025</u>	<u>\$ 6,874</u>	<u>\$ 4,996</u>

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12. Investment in Associates (cont'd)

Changes in investments in associates for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025						Ending
	Beginning	Acquisition	Gain(loss) on equity method	Equity changes under equity method	Dividends	Others	
Ainstein AI, Inc.	\$ 1,991	\$ -	\$ 115	\$ -	\$ -	\$ -	2,106
Presto Lite Asia Co., Ltd.	2,616	-	122	-	(16)	63	2,785
Doosan New Technology Investment Fund No. 1	2,267	4,404	(64)	(7)	-	(34)	6,566
	<u>\$ 6,874</u>	<u>\$ 4,404</u>	<u>\$ 173</u>	<u>\$ (7)</u>	<u>\$ (16)</u>	<u>\$ 29</u>	<u>\$ 11,457</u>

	Year ended December 31, 2024						Ending
	Beginning	Acquisition	Gain(loss) on equity method	Equity changes under equity method	Others	Ending	
Ainstein AI, Inc.	\$ 1,892	\$ -	\$ 99	\$ -	\$ -	\$ -	1,991
Presto Lite Asia Co., Ltd.	2,822	-	152	-	(358)	-	2,616
Doosan New Technology Investment Fund No. 1	-	2,558	(314)	23	-	-	2,267
	<u>\$ 4,714</u>	<u>\$ 2,558</u>	<u>\$ (63)</u>	<u>\$ 23</u>	<u>\$ (358)</u>	<u>\$ -</u>	<u>\$ 6,874</u>

The summarized financial information on associates as of December 31, 2025 and for the year ended December 31, 2025 is as follows (in thousands of USD):

	December 31, 2025		Year ended December 31, 2025		
	Assets	Liabilities	Sales	Gain(Loss) for the period	Total comprehensive gain(loss)
Ainstein AI, Inc.	\$ 7,520	\$ 5,012	\$ 9,602	\$ 1,263	\$ 1,263
Presto Lite Asia Co., Ltd.	11,183	2,565	10,198	377	377
Doosan New Technology Investment Fund No. 1	33,159	-	1,581	(319)	(319)

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13. Lease

Changes in right-of-use assets for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025						
	Land	Buildings	Machinery	Vehicles	Tools	Equipment	Total
Beginning balance	\$ 7,497	\$ 101,273	\$ 6,795	\$ 5,430	\$ 1	\$ 1,772	\$ 122,768
Acquisition	-	20,092	2,259	4,854	23	4,556	31,784
Depreciation	(216)	(30,899)	(2,982)	(3,881)	(9)	(2,270)	(40,257)
Others	244	(1,356)	31	(125)	(1)	54	(1,153)
Ending balance	\$ 7,525	\$ 89,110	\$ 6,103	\$ 6,278	\$ 14	\$ 4,112	\$ 113,142
Acquisition cost	\$ 8,444	\$ 191,482	\$ 16,005	\$ 15,693	\$ 23	\$ 8,254	\$ 239,901
Accumulated depreciation	(919)	(102,372)	(9,902)	(9,415)	(9)	(4,142)	(126,759)

	Year ended December 31, 2024						
	Land	Buildings	Machinery	Vehicles	Tools	Equipment	Total
Beginning balance	\$ 3,736	\$ 104,361	\$ 7,211	\$ 6,770	\$ 2	\$ 2,680	\$ 124,760
Acquisition	-	33,014	2,432	4,340	-	677	40,463
Business combination	4,430	302	40	24	-	-	4,796
Depreciation	(139)	(28,169)	(2,866)	(5,018)	(1)	(1,519)	(37,712)
Transfer	24	-	-	-	-	-	24
Others	(554)	(8,235)	(22)	(686)	-	(66)	(9,563)
Ending balance	\$ 7,497	\$ 101,273	\$ 6,795	\$ 5,430	\$ 1	\$ 1,772	\$ 122,768
Acquisition cost	\$ 8,170	\$ 180,389	\$ 13,904	\$ 15,564	\$ 14	\$ 5,300	\$ 223,341
Accumulated depreciation	(673)	(79,116)	(7,109)	(10,134)	(13)	(3,528)	(100,573)

Changes in lease liabilities for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Beginning balance	\$ 123,979	\$ 129,036
Business combination	-	418
Lease payments	(47,046)	(41,687)
Acquisition of right-of-use assets	31,784	39,917
Interest expenses	5,797	6,139
Termination of lease agreement	(4,370)	(6,583)
Foreign exchange differences	5,099	(3,261)
Ending balance	\$ 115,243	\$ 123,979

The classification of depreciation expenses of lease assets for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Cost of sales	\$ 19,339	\$ 19,194
Selling and administrative expenses	20,918	18,518
	\$ 40,257	\$ 37,712

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13. Lease (cont'd)

The maturity profiles of lease liabilities as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	Contractual nominal cash flow				
	Total	Less than 1 year	Less than 2 years	Less than 5 years	More than 5 years
Lease liabilities	\$ 125,985	\$ 41,591	\$ 30,372	\$ 50,704	\$ 3,318

	Contractual nominal cash flow				
	Total	Less than 1 year	Less than 2 years	Less than 5 years	More than 5 years
Lease liabilities	\$ 137,704	\$ 39,445	\$ 30,874	\$ 53,503	\$ 13,882

Expenditures on short-term leases or leases of low-value assets which are not included in the Group's right-of-use assets for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Cost of sales	\$ 387	\$ 281
Selling and administrative expenses	5,683	5,215
	<u>\$ 6,070</u>	<u>\$ 5,496</u>

The total cash outflows for leases for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Lease liabilities	\$ 47,046	\$ 41,687
Lease payments on short-term leases and leases of low-value assets	6,070	5,496
	<u>\$ 53,116</u>	<u>\$ 47,183</u>

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14. Trade and Other Payables

Trade and other payables as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current:		
Trade payables	\$ 760,063	\$ 642,702
Other payables	63,624	96,080
Accrued expenses	543,540	440,400
	<u>\$ 1,367,227</u>	<u>\$ 1,179,182</u>
Non-current:		
Other payables	\$ 263	\$ 125
Accrued expenses	11,665	7,168
Leasehold deposits received	4,764	4,352
	<u>\$ 16,692</u>	<u>\$ 11,645</u>

15. Borrowings

Bonds as of December 31, 2025 and 2024 are as follows (in thousands of USD):

<u>Category</u>	<u>Annual interest rate</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Private bonds	SOFR+1.05%	\$ 50,000	\$ 50,000
Less: discount on issuance of bonds		<u>(215)</u>	<u>(365)</u>
Total		<u>\$ 49,785</u>	<u>\$ 49,635</u>

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15. Borrowings (cont'd)

Borrowings as of December 31, 2025 and 2024 are as follows (in thousands of USD):

1) Short-term Borrowings

<u>Lender</u>	<u>Annual interest rate</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
SB China	2.60%	\$ 9,001	\$ 13,692
Woori China	2.50%	7,135	4,979
CSOB	-	-	16,420
SB China	2.60%	3,394	4,792
Yes/Sundaram ²	-	1,976	2,263
Hana Bank	6M MOR+1.84%	10,454	20,408
Kookmin Bank	CD 3M+1.74%	13,938	13,605
Woori ¹	CD 3M+1.70%	6,969	6,803
Woori China ¹	LPR 1Y-0.45%	1,427	-
Agricultural	-	-	1,369
Agricultural	-	-	959
		<u>\$ 54,294</u>	<u>\$ 85,290</u>

¹ Collateral is provided in relation to borrowings marked above (see Note 34).

² The Group provides guarantees to financial institutions in relation to the Dealer's default under the Dealer financing agreement. Accordingly, the borrowings are recognized as the requirements for writing off trade receivables are not met.

2) Long-term Borrowings

<u>Lender</u>	<u>Annual interest rate</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Syndicated lenders ¹	3M SOFR+2.00%	\$ 719,912	\$ 727,221
CSOB ¹	EURIBOR+1.40%	115,304	102,627
Mizuho Bank	CD91D+1.50%	27,877	27,211
NongHyup Bank ¹	3M MOR+1.22%	27,877	27,211
Shinhan Bank ¹	CD 3M+1.80%	34,845	34,014
Shinhan Bank Japan ¹	Japan ST Prime Lending Rate-0.58%	2,558	2,547
Korea Development Bank	6M KDB Bond+1.02%	10,454	-
Syndicated lenders in the United States	-	-	180,000
Subtotal		<u>938,827</u>	<u>1,100,831</u>
Less: present value discount		<u>(8,984)</u>	<u>(11,183)</u>
		929,843	1,089,648
Less: current portion		<u>(81,291)</u>	<u>(34,467)</u>
Total		<u>\$ 848,552</u>	<u>\$ 1,055,181</u>

¹ Collateral is provided in relation to borrowings marked above (see Note 34).

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16. Sales and Leaseback Liabilities

Sales and leaseback liabilities as of December 31, 2025 and 2024 are as follows (in thousands of USD):

Lender	Annual interest rate	December 31, 2025	December 31, 2024
HSBC	3.10% - 7.70%	\$ 32,681	\$ 27,537
Investec	7.68%	2,181	3,072
CMF	2.82% - 5.16%	566	1,036
Lombard	2.35% - 7.50%	8,878	13,637
Subtotal		44,306	45,282
Less: current portion		(11,347)	(12,470)
Total		<u>\$ 32,959</u>	<u>\$ 32,812</u>

17. Net Defined Benefit Liabilities

Details of net defined benefit liabilities recognized in the statements of financial position as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 443,628	\$ 429,388
Fair value of plan assets	(361,688)	(341,030)
Effects of asset ceiling	6,386	4,351
Net defined benefit liabilities	103,396	104,006
Net defined benefit assets	15,070	11,297

The components of retirement benefits presented on the statements of profit or loss for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Current service cost	\$ 13,890	\$ 14,408
Past service cost and gains on settlements	(2,464)	(11,944)
Net interest cost	5,121	5,122
	<u>\$ 16,547</u>	<u>\$ 7,586</u>

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17. Net Defined Benefit Liabilities (cont'd)

Classification of expenses related to defined benefit plan for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Cost of sales	\$ 6,999	\$ 6,531
Selling and administrative expenses	9,489	1,027
Research and development expenses, etc.	59	28
	<u>\$ 16,547</u>	<u>\$ 7,586</u>

The Group recognized expenses of \$ 26,689 thousand in relation to its defined contribution plan for the year ended December 31, 2025 (2024: \$ 25,130 thousand).

Movements in the defined benefit obligations for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Beginning balance	\$ 429,388	\$ 452,775
Current service costs	13,890	14,408
Past service costs and losses (gains) on settlement	(2,464)	(11,944)
Interest expenses	22,412	21,365
Remeasurements :		
Actuarial loss (gain) from changes in demographic assumptions	(824)	28
Actuarial loss (gain) from changes in financial assumptions	1,552	(27,674)
Others	(236)	5,704
Contributions by employees	76	88
Benefits paid	(24,441)	(26,410)
Transfers from (to) affiliates	324	444
Business combination	-	9,114
Others	276	(352)
Foreign exchange differences	3,675	(8,158)
Ending balance	<u>\$ 443,628</u>	<u>\$ 429,388</u>

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17. Net Defined Benefit Liabilities (cont'd)

Movements in the fair value of plan assets for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Beginning balance	\$ 336,679	\$ 347,981
Expected return	17,291	16,243
Remeasurements	6,859	(18,160)
Contributions of employers	16,268	16,732
Contributions of employees	76	88
Benefits paid	(23,149)	(25,526)
Transfers from (to) affiliates	13	237
Business combination	-	9,695
Foreign exchange differences	3,300	(7,968)
Effects of asset ceiling	(2,035)	(2,643)
Ending balance	<u>\$ 355,302</u>	<u>\$ 336,679</u>

Actual gains on plan assets recognized for the year ended December 31, 2025 are \$ 24,150 thousand (2024: \$ (-)1,917 thousand). Reasonable estimation of contributions to defined benefit plans for the year ended December 31, 2026 is \$ 19,912 thousand.

Significant actuarial assumptions as of December 31, 2025 and 2024 are as follows (in percentage, %):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	3.1 – 5.7	2.8 – 5.7
Future salary growth rate	0.0 – 5.0	3.0 – 4.5

Plan assets as of December 31, 2025 and 2024 consist of (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity instruments	\$ 43,024	\$ 44,031
Debt instruments	239,941	221,035
Others	78,723	75,964
Effects of asset ceiling	(6,386)	(4,351)
Ending balance	<u>\$ 355,302</u>	<u>\$ 336,679</u>

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17. Net Defined Benefit Liabilities (cont'd)

The sensitivity analysis of the defined benefit obligation to changes in the principal assumptions as of December 31, 2025 and 2024 is as follows (in thousands of USD):

	December 31, 2025		December 31, 2024	
	Amount	Rate	Amount	Rate
Discount rate:				
1%p increase	\$ (42,478)	(-)9.58%	\$ (42,491)	(-)9.90%
1%p decrease	51,465	11.60%	51,513	12.00%
Salary growth rate:				
1%p increase	\$ 4,357	0.98%	\$ 4,653	1.08%
1%p decrease	(3,929)	(-)0.89%	(4,294)	(-)1.00%

The cash flows from expected future retirement benefits as of December 31, 2025 are as follows (in thousands of USD):

	Less than 1 year	Less than 2 years	Less than 5 years	Less than 10 years	More than 10 years	Total
Benefits paid	\$ 28,112	\$ 42,467	\$ 89,032	\$ 148,263	\$ 682,327	\$ 990,201

The weighted average maturity of the defined benefit obligations is 10.61 years.

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18. Provisions

The Group estimates provisions based on expected expenditures required to settle its obligations for product warranty, related after sales service activities, product-related obligations, and litigations, taking into account factors such as warranty period and historical experiences.

Changes in provisions for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025						
	Beginning	Increase	Decrease	Others	Ending	Current	Non-current
Warranty	\$ 138,951	\$ 90,214	\$ (111,023)	\$ 2,357	\$ 120,499	\$ 72,941	\$ 47,558
Product liability	20,695	3,960	(9,169)	-	15,486	3,200	12,286
Litigation	689	792	(173)	81	1,389	1,389	-
Restructuring	3,299	-	(1,989)	(887)	423	423	-
Others	1,880	509	(249)	64	2,204	443	1,761
	<u>\$ 165,514</u>	<u>\$ 95,475</u>	<u>\$ (122,603)</u>	<u>\$ 1,615</u>	<u>\$ 140,001</u>	<u>\$ 78,396</u>	<u>\$ 61,605</u>

	Year ended December 31, 2024							
	Business		Increase	Decrease	Others	Ending	Current	Non-current
Beginning	Combination							
Warranty	\$ 151,408	\$ 478	\$ 71,940	\$ (81,801)	\$ (3,074)	\$ 138,951	\$ 77,317	\$ 61,634
Product liability	23,661	-	6,071	(9,037)	-	20,695	4,100	16,595
Litigation	1,457	-	299	(1,065)	(2)	689	689	-
Restructuring	768	-	2,712	-	(181)	3,299	3,299	-
Others	912	-	1,473	(411)	(94)	1,880	242	1,638
	<u>\$ 178,206</u>	<u>\$ 478</u>	<u>\$ 82,495</u>	<u>\$ (92,314)</u>	<u>\$ (3,351)</u>	<u>\$ 165,514</u>	<u>\$ 85,647</u>	<u>\$ 79,867</u>

19. Capital Stock and Capital Surplus

The Company, DBI, is authorized to issue up to 400,000,000 ordinary shares with a par value of KRW 500 per share. As of December 31, 2025, 95,856,065 ordinary shares are issued out of which 142,263 shares are ordinary shares with restricted voting rights under the *Commercial Act* of the Republic of Korea. On February 27, 2025, the Company retired 4,393,101 shares of common stock using retained earnings, resulting in a discrepancy between the total par value of the outstanding shares and the paid-in capital as of December 31, 2025.

Changes in capital stock and capital surplus for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Number of shares	Capital stock	Capital surplus		
			Share premium	Other capital surplus	Total
As of January 1, 2025	100,249,166	\$ 43,096	\$ 1,657,374	\$ (177,878)	\$ 1,479,496
As of February 27, 2025	(4,393,101)	-	-	-	-
As of December 31, 2025	95,856,065	\$ 43,096	\$ 1,657,374	\$ (177,878)	\$ 1,479,496

There were no changes in capital stock and other capital surplus during the year ended December 31, 2024.

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20. Share-based Compensation

The Group has granted share-based compensations to executives of the Group in accordance with the resolution of the board of directors as follows:

	2nd wave
Grant type	Registered common stock of DBI
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	March 2, 2023
Settlement method	Issuance of treasury shares, cash equivalent to share value ¹
Exercise price	-
Vesting condition	2 or more years of employment after grant
Vesting method	Prorated by the day from January 1 of grant year to December 31 of 2 nd anniversary year from grant
Payment method	Paid at the beginning of 3 rd anniversary year from grant
	3rd wave
Grant type	Registered common stock of DBI
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	April 29, 2024
Settlement method	Issuance of treasury shares, cash equivalent to share value ¹
Exercise price	-
Vesting condition	2 or more years of employment after grant
Vesting method	Prorated by the day from January 1 of grant year to December 31 of 2 nd anniversary year from grant
Payment method	Paid at the beginning of 3 rd anniversary year from grant
	4th wave
Grant type	Registered common stock of DBI
Granted to	Directors incumbent as of the date of resolution and grant date
Grant date	April 24, 2025
Settlement method	Issuance of treasury shares, cash equivalent to share value ¹
Exercise price	-
Vesting condition	2 or more years of employment after grant
Vesting method	Prorated by the day from January 1 of grant year to December 31 of 2 nd anniversary year from grant
Payment method	Paid at the beginning of 3 rd anniversary year from grant

¹ For the year ended December 31, 2025, a portion of compensation originally granted as equity-settled type was changed to cash-settled type.

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20. Share-based Compensation (cont'd)

Equity-settled share-based compensations as of December 31, 2025 and 2024 are as follows (in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning	154,179	96,490
Granted	15,578	60,467
Canceled	-	(2,778)
Payment ¹	(14,694)	-
Modification ²	(77,083)	-
Ending	<u>77,980</u>	<u>154,179</u>

¹ For the year ended December 31, 2025, shares granted as the 1st wave of share-based compensation were fully settled.

² For the year ended December 31, 2025, a portion of compensations originally granted as equity-settled type was changed to cash-settled type.

Cash-settled share-based compensations as of December 31, 2025 and 2024 are as follows (in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning	108,774	81,268
Granted ¹	57,964	55,585
Canceled	-	(28,079)
Payment ²	(35,082)	-
Modification ³	77,083	-
Ending	<u>208,739</u>	<u>108,774</u>

¹ As of December 31, 2025, 4,212 shares of cash-settled payments linked to the value of equity shares of the ultimate parent company are included (December 31, 2024: 2,754 shares).

² For the year ended December 31, 2025, shares granted as the 1st wave of share-based compensation were fully settled.

³ For the year ended December 31, 2025, a portion of compensations originally granted as equity-settled type was changed to cash-settled type.

The expenses and liabilities recognized for cash-settled share-based compensations as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share-based compensation expenses	\$ 4,598	\$ 909
Accrued expenses	\$ 8,036	\$ 848

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21. Other Components of Equity

Other components of equity as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Capital adjustment from equity transactions among subsidiaries	\$ 7,700	\$ 7,700
Ordinary shares issued in kind ¹	(186,108)	(186,108)
Treasury shares ^{2,3,4}	(4,828)	(47,279)
Share-based compensation expenses ²	1,276	2,635
	<u>\$ (181,960)</u>	<u>\$ (223,052)</u>

¹ The Group received Doosan Engine's investment in its subsidiaries as an investment in-kind before the year ended December 31, 2024. The difference from the reduced book value of non-controlling interests was recognized as other equity item.

² As of December 31, 2025, 142,263 shares are held by the Group for the purpose of share-based compensations.

³ In accordance with the corporate value promotion plan announced in December 2024, the Company repurchased 1,327,058 treasury shares for the year ended December 31, 2024 and 3,066,043 treasury shares for the year ended December 31, 2025, respectively, and subsequently retired all 4,393,101 treasury shares on February 27, 2025.

⁴ For the year ended December 31, 2025, 14,694 shares were granted under the share-based compensation plan.

22. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>					<u>Total</u>
	<u>Gain (loss) on translation of foreign operation</u>	<u>Gain (loss) on valuation of derivatives</u>	<u>Gain on revaluation of property, plant and equipment</u>	<u>Equity changes under equity method</u>		
Beginning balance	\$ (440,318)	\$ (3,491)	\$ 14,812	\$ 23		\$ (428,974)
Increase (decrease)	255,061	3,197	10,025	(7)		268,276
Ending balance	<u>\$ (185,257)</u>	<u>\$ (294)</u>	<u>\$ 24,837</u>	<u>\$ 16</u>		<u>\$ (160,698)</u>

	<u>Year ended December 31, 2024</u>					<u>Total</u>
	<u>Gain(loss) on translation of foreign operation</u>	<u>Gain (loss) on valuation of derivatives</u>	<u>Gain on revaluation of property, plant and equipment</u>	<u>Gain(loss) on valuation of equity instruments at fair value through OCI</u>	<u>Equity changes under equity method</u>	
Beginning balance	\$ (262,341)	\$ 213	\$ 14,811	\$ 109	\$ -	\$ (247,208)
Increase (decrease)	(177,977)	(3,704)	1	(109)	23	(181,766)
Ending balance	<u>\$ (440,318)</u>	<u>\$ (3,491)</u>	<u>\$ 14,812</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ (428,974)</u>

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23. Retained Earnings

Details of retained earnings as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Legal reserves	\$ 22,566	\$ 22,566
Retained earnings before appropriation	3,809,083	3,797,007
	<u>\$ 3,831,649</u>	<u>\$ 3,819,573</u>

The details of changes in retained earnings of the Group as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning Balance	\$ 3,819,573	\$ 3,523,104
Profit for the year	282,899	413,029
Remeasurements of net defined benefit liabilities	3,626	1,130
Reclassification as retained earnings due to disposal of equity instruments at fair value through other comprehensive income	-	109
Retirement of treasury shares	(139,045)	-
Payment of dividends	(135,404)	(117,799)
Ending balance	<u>\$ 3,831,649</u>	<u>\$ 3,819,573</u>

24. Segment Information

The Group operates in the following operating segments and its main products are as follows:

<u>Segment</u>	<u>Main products</u>
Construction Equipment	Compact (Skid Steer Loader, Compact Track Loader, Mini Excavator), Portable Power, Material Handling
Hydraulic Equipment	Travel Motor, Swing Motor, Main Pump, Main Control Valve and others

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24. Segment Information (cont'd)

The information on profit and loss by segment of the Group for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	Year ended December 31, 2025				
	Total sales	Internal sales	Net sales	Operating profit(loss)	Net income
Construction Equipment	\$ 6,036,408	\$ (1,796)	\$ 6,034,612	\$ 489,572	\$ 287,915
Hydraulic Equipment	158,671	(11,477)	147,194	(4,632)	(3,026)
Subtotal	6,195,079	(13,273)	6,181,806	484,940	284,889
Consolidation adjustments	(13,273)	13,273	-	(2,503)	(1,990)
	<u>\$ 6,181,806</u>	<u>\$ -</u>	<u>\$ 6,181,806</u>	<u>\$ 482,437</u>	<u>\$ 282,899</u>

	Year ended December 31, 2024				
	Total sales	Internal sales	Net sales	Operating profit(loss)	Net income
Construction Equipment	\$ 6,236,981	\$ -	\$ 6,236,981	\$ 640,473	\$ 414,408
Hydraulic Equipment	32,868	(544)	32,324	(1,028)	(934)
Subtotal	6,269,849	(544)	6,269,305	639,445	413,474
Consolidation adjustments	(544)	544	-	(578)	(445)
	<u>\$ 6,269,305</u>	<u>\$ -</u>	<u>\$ 6,269,305</u>	<u>\$ 638,867</u>	<u>\$ 413,029</u>

The information on assets and liabilities by segment of the Group as of December 31, 2025 and 2024 is as follows (in thousands of USD):

	December 31, 2025	
	Assets	Liabilities
Construction Equipment	\$ 8,343,648	\$ 3,497,946
Hydraulic Equipment	220,460	54,292
Subtotal	8,564,108	3,552,238
Consolidation adjustments	(5,654)	(5,367)
	<u>\$ 8,558,454</u>	<u>\$ 3,546,871</u>

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24. Segment Information (cont'd)

	December 31, 2024	
	Assets	Liabilities
Construction Equipment	\$ 7,956,677	\$ 3,432,873
Hydraulic Equipment	213,484	47,284
Subtotal	8,170,161	3,480,157
Consolidation adjustments	(357)	(492)
Total	\$ 8,169,804	\$ 3,479,665

As of December 31, 2025 and 2024, the Group's non-current assets by region are as follows (in thousands of USD):

	Non-current assets¹	
	December 31, 2025	December 31, 2024
North America	\$ 1,504,712	\$ 1,384,329
Europe, Middle East and Africa	658,083	606,593
Asia, Latin America and Oceania	430,238	417,790
	\$ 2,593,033	\$ 2,408,712

¹ Non-current assets by region are based on the country where the asset is located. These assets consist of property, plant and equipment, investment property, lease assets and intangible assets (excluding goodwill). The Group classifies cash-generating units (CGUs) into construction equipment and hydraulic equipment, and recognized goodwill of \$ 2,714,864 thousand and \$ 12,952 thousand for each CGU, respectively, as of December 31, 2025.

25. Revenue

Details of revenue for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue from contracts with customers		
By type of goods or services:		
- Manufactured products/merchandise	\$ 6,071,980	\$ 6,161,992
- Others	32,904	34,116
	<u>6,104,884</u>	<u>6,196,108</u>
By timing of recognition		
- Products transferred at a point in time	6,071,980	6,161,992
- Service rendered over time	32,904	34,116
	<u>6,104,884</u>	<u>6,196,108</u>
Revenue from other sources		
- Rental income, etc.	76,922	73,197
	<u>\$ 6,181,806</u>	<u>\$ 6,269,305</u>

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25. Revenue (cont'd)

Revenue by main products for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	Revenue	
	Year ended December 31, 2025	Year ended December 31, 2024
Compact	\$ 4,771,049	\$ 4,879,449
Portable Power	334,489	331,544
Material Handling	929,074	1,025,988
Hydraulic Equipment	147,194	32,324
	<u>\$ 6,181,806</u>	<u>\$ 6,269,305</u>

Revenue by region for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	Revenue	
	Year ended December 31, 2025	Year ended December 31, 2024
North America	\$ 4,515,903	\$ 4,644,319
Europe, Middle East & Africa	969,600	958,156
Asia, Latin America & Oceania	696,303	666,830
	<u>\$ 6,181,806</u>	<u>\$ 6,269,305</u>

There is no single external customer from whom revenue accounts for 10% or more of the Group's total revenue for each of the two years in the period ended December 31, 2025.

26. Contract Balances

Details of receivables, contract assets and contract liabilities from contracts with customers as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025	December 31, 2024
Trade and other receivables	\$ 439,257	\$ 335,462
Contract liabilities ¹	169,134	550,266

¹ Contract liabilities are included in the other current liabilities and other non-current liabilities.

The contract liabilities are primarily related to the advance considerations received from customers for which revenue is recognized on completion of transfer of goods or services.

Among the contract liabilities, \$ 46,158 thousand of contract liabilities were recognized as revenue for the year ended December 31, 2025 (December 31, 2024: \$ 30,777 thousand).

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27. Expenses by Nature

Expenses classified by nature for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Purchases of inventories (Raw materials & merchandises) \$	3,398,809 \$	3,511,705
Changes in inventories	177,714	82,771
Employee benefits	817,074	719,818
Depreciation and amortization	218,862	199,799
Other expenses	1,086,910	1,116,345
	\$ 5,699,369	\$ 5,630,438

28. Selling and Administrative Expenses

Selling and administrative expenses for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025	Year ended December 31, 2024
Salaries \$	268,018 \$	244,499
Retirement benefits	19,411	3,499
Employee benefits	40,738	42,443
Rent	6,853	12,761
Depreciation	26,224	23,399
Depreciation of investment properties	1,060	1,080
Amortization	26,291	13,787
Research and development	152,975	156,075
Advertising	94,557	76,784
Commission expenses	147,827	129,865
Bad debt expenses	2,174	856
Insurance expenses	5,322	10,233
Others ¹	112,404	105,668
	\$ 903,854	\$ 820,949

¹ Including share-based compensations.

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29. Finance Income and Expenses

Finance income and expenses for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Finance income:		
Interest income	\$ 39,050	\$ 49,341
Gain on foreign currency transactions	53,390	50,528
Gain on foreign currency translation	33,772	58,671
Gain on derivative transactions	-	384
Gain on valuation of derivative	1,435	-
	<u>127,647</u>	<u>158,924</u>
Finance expenses:		
Interest expenses	(69,623)	(78,549)
Loss on foreign currency transactions	(60,412)	(35,054)
Loss on foreign currency translation	(47,147)	(60,703)
Loss on derivative transactions	(1,409)	-
Loss on valuation of derivative	-	(864)
Loss on repayment of borrowings	(293)	(1,606)
Loss on financial guarantee	(321)	(231)
Others	(4,068)	(3,186)
	<u>(183,273)</u>	<u>(180,193)</u>
	<u>\$ (55,626)</u>	<u>\$ (21,269)</u>

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30. Other Non-operating Income and Expenses

Other non-operating income and expenses for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Other non-operating income:		
Gain on disposal of property, plant and equipment	\$ 142	\$ 149
Reversal of impairment loss on intangible assets	95	-
Others	2,702	1,850
	<u>2,939</u>	<u>1,999</u>
Other non-operating expenses:		
Loss on disposal of trade receivables	(5,806)	(7,326)
Other bad debt expenses	(1,316)	(142)
Loss on disposal of property, plant and equipment	(1,286)	(269)
Loss on disposal of intangible assets	(26)	(547)
Impairment loss property, plant and equipment	-	(306)
Impairment loss on intangible assets	(5,564)	(9,520)
Donations	(7,435)	(11,516)
Others	(3,276)	(4,533)
	<u>(24,709)</u>	<u>(34,159)</u>
Net other non-operating expense	<u>\$ (21,770)</u>	<u>\$ (32,160)</u>

31. Income Tax Expense

Details of the Group's current and deferred tax reflected in income tax expenses for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Current tax	\$ 75,739	\$ 206,076
Changes in deferred tax	60,956	(22,677)
Deferred tax arising from business combination	-	(4,142)
	<u>136,695</u>	<u>179,257</u>
Deferred tax charged directly to equity	(9,688)	(4,768)
Others	(4,692)	(2,143)
Income tax expense	<u>\$ 122,315</u>	<u>\$ 172,346</u>

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31. Income Tax Expense (cont'd)

The Group offsets deferred tax assets and deferred tax liabilities if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. Changes in deferred tax assets (liabilities) for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Year ended December 31, 2025		
	Beginning Balance	Increase (decrease)	Ending Balance
Net defined benefit liabilities	\$ 23,473	\$ (36)	\$ 23,437
Property, plant and equipment	(48,842)	(10,293)	(59,135)
Reserves for research and human resource development	68,927	(33,801)	35,126
Intangible assets	(392,852)	(7,114)	(399,966)
Provisions	47,334	(8,119)	39,215
Inventories	21,848	832	22,680
Others	66,226	(209)	66,017
Consolidation adjustments	(7,015)	(2,216)	(9,231)
	<u>\$ (220,901)</u>	<u>\$ (60,956)</u>	<u>\$ (281,857)</u>

	Year ended December 31, 2024			
	Beginning Balance	Increase (decrease)	Business combination	Ending Balance
Net defined benefit liabilities	\$ 24,096	\$ (247)	\$ (376)	\$ 23,473
Property, plant and equipment	(53,032)	3,127	1,063	(48,842)
Reserves for research and human resource development	43,051	25,876	-	68,927
Intangible assets	(387,274)	(5,708)	130	(392,852)
Provisions	45,501	1,833	-	47,334
Inventories	18,448	2,847	553	21,848
Others	65,754	(2,300)	2,772	66,226
Consolidation adjustments	(4,264)	(2,751)	-	(7,015)
	<u>\$ (247,720)</u>	<u>\$ 22,677</u>	<u>\$ 4,142</u>	<u>\$ (220,901)</u>

Carryforwards of tax losses, temporary differences and tax credits for which deferred tax assets (liabilities) are not recognized as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	December 31, 2025	December 31, 2024
Tax loss carryforwards	\$ 8,145	\$ 8,646
Temporary differences	59,945	55,799
Tax credit carryforwards	24,455	18,304

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31. Income Tax Expense (cont'd)

Realization of the future tax benefits related to deferred tax assets (liabilities) is dependent on many factors, including the Group's ability to generate taxable income within the period during which temporary differences reverse, the outlook of the economy, and the overall future state of the industry. The Group regularly evaluates these factors.

Temporary differences from investments in subsidiaries for which deferred tax assets are not recognized as of December 31, 2025 and 2024 are as follows (in thousands of USD):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investments in subsidiaries and others	\$ (2,259,400)	\$ (2,090,014)

Reconciliation between profit before income tax and income tax expense for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Profit before income tax expense	\$ 405,214	\$ 585,375
Income tax based on statutory tax rate in the respective countries	166,789	263,808
Tax effects of		
Permanent difference	(82,093)	(122,266)
Changes in unrecognized deferred tax assets	4,811	(1,105)
Tax credits	(8,640)	(11,323)
Additional tax	(3,449)	(1,630)
Changes in tax rate	(1,032)	(346)
Others	45,929	45,208
Income tax expense	\$ 122,315	\$ 172,346
Average effective tax rate (Income tax expense / Profit before income tax)	30.2%	29.4%

Statutory tax rates in the respective countries vary from 12.5% to 30.0%.

In accordance with Pillar Two Model Rules, the Group is required to pay additional taxes on the difference between the GloBE effective tax rate in each jurisdiction in which its constituent entities are located and 15% minimum rate. Except for the permanent establishments of the subsidiaries such as Geith International Limited and Doosan Bobcat EMEA s.r.o. in Ireland, all entities within the Group have a GloBE effective tax rate exceeding 15% minimum rate in their respective countries. As a result, the Pillar Two income tax expense recognized for the year ended December 31, 2025 is \$ 59 thousand, and the temporary exception has been applied for the recognition and disclosure of the related deferred tax assets and liabilities.

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32. Earnings per Share

(1) Basic Earnings per Share

Basic earnings per share are computed by dividing profit for the period attributable to owners of the parent company by the weighted average number of ordinary shares outstanding during the period excluding treasury shares.

Earnings per share attributable to owners of the parent company for each of the two years in the period ended December 31, 2025 are computed as follows (in USD and in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Profit for the period attributable to owners of the parent company	\$ 282,898,871	\$ 413,029,440
Weighted-average number of ordinary shares outstanding	95,865,187	99,819,306
Basic earnings per share	2.95	4.14

Weighted average number of shares are computed as follows (in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of ordinary shares outstanding	98,765,151	100,152,676
Treasury shares	(2,899,964)	(333,370)
Weighted-average number of ordinary shares outstanding	<u>95,865,187</u>	<u>99,819,306</u>

(2) Diluted Earnings per Share

Diluted earnings per share are computed by dividing profit for the period attributable to owners of the parent company by the adjusted weighted-average number of ordinary shares with the assumption that all convertible securities were converted to common shares.

Diluted earnings per share of owners of the parent company for each of the two years in the period ended December 31, 2025 are computed as follows (in USD and in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Profit for the period attributable to owners of the parent company	\$ 282,898,871	\$ 413,029,440
Adjusted weighted-average number of ordinary shares outstanding	95,922,418	99,901,828
Diluted earnings per share	2.95	4.13

The adjusted weighted-average number of shares for each of the two years in the period ended December 31, 2025 is computed as follows (in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Weighted-average number of ordinary shares outstanding	95,865,187	99,819,306
Restricted Stock Unit	57,231	82,522
Adjusted weighted-average number of ordinary shares outstanding	<u>95,922,418</u>	<u>99,901,828</u>

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32. Earnings Per Share (cont'd)

Potential ordinary shares as of December 31, 2025 and 2024 are as follows (in shares):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted Stock Unit	77,980	154,179

33. Commitments and Contingencies

(1) Litigations and others

As of December 31, 2025, the Group is a defendant in several legal actions arising in the ordinary course of business, including lawsuits related to product liability claims, and is subject to an ongoing investigation by a regulatory authority. Provisions are recognized for those cases where an outflow of resources is considered probable (see Note 18). For other legal actions and the investigation, the outcome cannot be reliably predicted, and the timing and amount of any potential outflows are uncertain. However, the Group does not expect these matters to have a material impact on the consolidated financial statements.

(2) Financial Guarantees and Assets Provided as Collaterals

As of December 31, 2025, guarantees provided by the Group for third parties are as follows (in thousands of USD):

<u>Provided for</u>	<u>Provided to</u>	<u>Amount guaranteed</u>
Doosan Bobcat North America Inc. and others	End customers, etc.	\$ 111,475
Doosan Bobcat EMEA s.r.o. and others	End customers, etc.	1
Doosan Bobcat Korea Co., Ltd. and others	End customers, etc.	16,625
		<u>\$ 128,101</u>

The Company provides a payment guarantee of \$ 130,000 thousand for supplier finance arrangement entered into by Doosan Bobcat North America Inc. and Doosan Bobcat EMEA, s.r.o, the subsidiaries of the Group (see Note 4.1.3).

<u>Provided by</u>	<u>Type</u>	<u>Amount guaranteed</u>
Machinery Financial Cooperative	Contracts and defects ¹	\$ 536
Seoul Guarantee Insurance Company	Performance guarantee	719
Woori Bank	Financial guarantee	51,000
	Foreign currency performance guarantee	1,279
CSOB	Payment guarantees	4,325
Other guarantees	Other guarantees	1,558
		<u>\$ 59,417</u>

¹ The Group's share in Machinery Financial Cooperative is provided as collateral as of December 31, 2025.

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33. Commitments and Contingencies (cont'd)

(3) Key Commitments

1) Credit agreement

As of December 31, 2025, the Group has contracts with financial institutions for limit loans of \$ 1,357,494 thousand, including general loans and overdrafts, comprehensive loans of \$ 59,570 thousand, and loans secured by accounts receivables of \$ 30,664 thousand.

2) Supplier finance arrangement

The Group entered into a supplier finance arrangement (see Note 4.1.3).

3) Other commitments

As of December 31, 2025, the Group has signed a contract with Doosan New Technology Investment Fund No. 1 for a total investment commitment of \$ 13,938 thousand, and the remaining investment commitment amount as of December 31, 2025 is \$ 7,011 thousand.

The subsidiary of the Group, Doosan Bobcat Korea Co., Ltd., jointly entered into a five-year lease agreement with Doosan Corporation, Doosan Enerbility Co., Ltd. and HD Hyundai Infracore Co., Ltd. (formerly, Doosan Infracore Co., Ltd.) on January 8, 2021, with Bundang Doosan Tower Reit Co., Ltd. As HD Hyundai Infracore Co., Ltd. withdrew from the lease agreement on December 31, 2022, Doosan Enerbility Co., Ltd. succeeded the relevant position and rights and obligations. Unless certain conditions are met, the lease contract will be extended for additional five years under the same conditions. Doosan Bobcat Korea Co., Ltd., a subsidiary of the Group, has agreed to jointly conduct a business of leasing real estate and then sub-leasing it and is jointly obliged to provide the rental obligation as a lessor to the extent of its portion in the business. The Group accounts for the business as joint operations under which it holds the contractual rights to assets and contractual obligations to liabilities to the extent of its share in the business, 9.7%. The Group holds the right to rental income and is obligated to pay the costs for the portion excluding self-use.

Doosan Bobcat Korea Co., Ltd. was merged into Doosan Industrial Vehicle Co., Ltd. on January 1, 2024, and Doosan Industrial Vehicle Co., Ltd. changed its name to Doosan Bobcat Korea Co., Ltd. on the same date.

In connection with the business combination that occurred before the year ended December 31, 2024, the Group has succeeded the joint liabilities for financial and operating debts of Doosan Corporation and Doosan Industrial Vehicle Co. Ltd., and the Group believes that the possibility of outflow of resources is low.

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34. Assets Provided as Collaterals

Details of the assets provided as collaterals as of December 31, 2025 are as follows (in thousands of USD):

	Doosan Bobcat North America Inc.	Doosan Bobcat EMEA s.r.o	Doosan Bobcat Korea Co., Ltd. etc.	Doosan Mottrol Co., Ltd.
Agreement details	Borrowings and credit limit agreements	Borrowings and credit limit agreements	Borrowings and credit limit agreements	Borrowings and credit limit agreements
Agreement limit amount	\$ 1,930,875	\$ 187,968	\$ 79,218	\$ 8,396
Assets provided as collateral	All equity shares of Doosan Bobcat North America Inc., certain property, plant and equipment, intangible assets and others of Doosan Bobcat North America Inc.	Accounts receivable and inventory, etc.	Property, plant and equipment	Property, plant and equipment
Collateral value	\$ 2,366,123	\$ 328,935	\$ 102,585	\$ 48,644
Nominal amount of borrowing	\$ 719,912	\$ 115,304	\$ 65,280	\$ 8,396

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35. Related Party Transactions

The Group's related party disclosures for each of the two years in the period ended December 31, 2025 are as follows:

Relationship		Name
	Ultimate parent	Doosan Corporation
	Immediate parent	Doosan Enerbility Co., Ltd.
	Associates	Ainstein AI, Inc. Presto Lite Asia Co., Ltd. Doosan New Technology Investment Fund No.1
Others	Subsidiary of the parent company	Doosan Digital Innovation America, LLC. Doosan Information & Communications Beijing Co., Ltd. Doosan Digital Innovation Europe Limited Oricom Inc. Doosan Business Research Institute Doosan Cuvex Co., Ltd., etc.
	Associate of the parent company	Bundang Doosan Tower Reit Co., Ltd., etc.
	Others ¹	Chung-Ang University, Chung-Ang University Hospital, Doosan Credit Unit Doosan Yonkang Foundation, etc.

¹ Certain entities are not classified as the related parties under K-IFRS 1024, but included in other related parties above as they belong to the same large-scale business group as defined under the *Monopoly Regulation and Fair Trade Act*.

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35. Related Party Transactions (cont'd)

Significant transactions with the related parties for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

		Years ended December 31, 2025				
Relationship	Related party	Sales	Other income	Purchase	Other expense	Purchases of investment properties & fixed asset
Ultimate parent	Doosan Corporation	\$ 4,040	\$ -	\$ -	44,476	\$ 1,529
Immediate parent	Doosan Enerbility Co., Ltd.	3	-	-	2	-
Associate	Ainstein AI, Inc.	-	9	-	-	-
	Presto Lite Asia Co., Ltd	-	52	4,753	-	-
		-	61	4,753	-	-
Others	Doosan Digital Innovation America, LLC	5	42	-	56,209	2,071
	Oricom Inc.	-	-	-	6,930	-
	Doosan Business Research Institute	-	-	-	2,721	-
	Doosan Cuvex Co., Ltd.	-	2	-	4,432	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	213	-
	Others	1,403	2	-	16,353	1,541
		1,408	46	-	86,858	3,612
	\$ 5,451	\$ 107	\$ 4,753	\$ 131,336	\$ 5,141	

		Years ended December 31, 2024				
Relationship	Related party	Sales	Other income	Purchase	Other expense	Purchases of investment properties & fixed asset
Ultimate parent	Doosan Corporation	\$ 4,380	\$ -	\$ -	41,493	\$ 1,611
Immediate parent	Doosan Enerbility Co., Ltd.	60	-	-	2	-
Associate	Ainstein AI, Inc.	-	105	-	-	-
	Presto Lite Asia Co., Ltd	24	19	6,366	-	-
		24	124	6,366	-	-
Others	Doosan Digital Innovation America, LLC	6	-	-	51,186	2,220
	Oricom Inc.	-	-	-	7,076	-
	Doosan Business Research Institute	-	-	-	1,945	-
	Doosan Cuvex Co., Ltd.	-	-	-	3,759	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	259	-
	Others	974	-	-	12,699	123
		980	-	-	76,924	2,343
	\$ 5,444	\$ 124	\$ 6,366	\$ 118,419	\$ 3,954	

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35. Related Party Transactions (cont'd)

Related significant balances as of December 31, 2025 and 2024 are as follows (in thousands of USD):

		Years ended December 31, 2025				
Relationship	Related party	Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Ultimate parent	Doosan Corporation	\$ 371	\$ 879	\$ -	\$ 13,678	\$ -
Associate	Ainstein AI, Inc.	-	635	-	-	-
	Presto Lite Asia Co., Ltd	-	3	842	-	-
		-	638	842	-	-
Others	Doosan Digital Innovation America, LLC	-	136	-	5,369	3,594
	Oricom Inc.	-	-	-	2,397	-
	Doosan Business Research Institute	-	-	-	107	-
	Doosan Cuvex Co., Ltd.	-	963	-	360	-
	Bundang Doosan Tower Reit Co., Ltd.	-	1,893	-	-	9,672
	Others	172	33	-	5,103	-
		172	3,025	-	13,336	13,266
		\$ 543	\$ 4,542	\$ 842	\$ 27,014	\$ 13,266

		Years ended December 31, 2024				
Relationship	Related party	Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities
Ultimate parent	Doosan Corp.	\$ 386	\$ 790	\$ -	\$ 13,754	\$ -
Associate	Ainstein AI, Inc.	-	1,075	-	-	-
	Presto Lite Asia Co., Ltd	-	-	106	-	-
		-	1,075	106	-	-
Others	Doosan Digital Innovation America, LLC	1	79	-	4,473	1,570
	Oricom Inc.	-	-	-	1,404	-
	Doosan Business Research Institute	-	-	-	154	-
	Doosan Cuvex Co., Ltd.	-	890	-	178	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	-	-	11,120
	Others	77	5	-	3,035	-
		78	974	-	9,244	12,690
		\$ 464	\$ 2,839	\$ 106	\$ 22,998	\$ 12,690

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35. Related Party Transactions (cont'd)

Fund transactions (including equity transactions) with the related parties for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

		Years ended December 31, 2025			
Relationship	Related party	Dividend income	Dividend paid	Repayment of lease liabilities	Investment
Immediate parent	Doosan Enerbility Co., Ltd	\$ -	\$ 64,419	\$ -	\$ -
Associates	Presto Lite Asia Co., Ltd.	16	-	-	-
	Doosan New Technology Investment Fund No.1	-	-	-	4,404
Others	Doosan Digital Innovation America, LLC	-	-	1,230	-
	Bundang Doosan Tower Reit Co., Ltd.	-	-	1,948	-
		<u>\$ 16</u>	<u>\$ 64,419</u>	<u>\$ 3,178</u>	<u>\$ 4,404</u>

		Years ended December 31, 2024		
Relationship	Related party	Dividend paid	Repayment of lease liabilities	Investment
Immediate parent	Doosan Enerbility Co., Ltd	\$ 54,319	\$ -	\$ -
Associates	Doosan New Technology Investment Fund No.1	-	-	2,757
Others	Doosan Digital Innovation America, LLC	-	667	-
	Bundang Doosan Tower Reit Co., Ltd.	-	2,004	-
		<u>\$ 54,319</u>	<u>\$ 2,671</u>	<u>\$ 2,757</u>

The Company defines key management personnel as registered or non-registered officers having rights and responsibility for planning, directing and controlling the activities of the Company. Compensation to key management personnel for each of the two years in the period ended December 31, 2025 is as follows (in thousands of USD):

	Years ended December 31, 2025	Years ended December 31, 2024
Benefits	\$ 7,115	\$ 6,336
Share-based compensations	3,379	1,879
Retirement benefits	906	771
	<u>\$ 11,400</u>	<u>\$ 8,986</u>

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36. Consolidated Financial Statements of Cash Flows

Details of adjustments and changes in operating assets and liabilities in the consolidated statements of cash flows for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Year ended</u> <u>December 31, 2024</u>
Adjustments:		
Income tax expense	\$ 122,315	\$ 172,346
Finance income	(74,257)	(108,013)
Finance expenses	117,063	141,721
Retirement benefits (defined benefit plan)	16,547	7,586
Depreciation	162,140	147,035
Depreciation on investment properties	1,060	1,080
Amortization	55,662	51,684
Gain on disposal of property, plant and equipment	(142)	(149)
Loss on disposal of property, plant and equipment	1,286	269
Impairment loss on of property, plant and equipment	-	306
Reversal of impairment loss on property, plant and equipment	-	(146)
Gain on disposal intangible assets	-	(3)
Loss on disposal of intangible assets	26	547
Impairment loss on intangible assets	5,564	9,520
Reversal of impairment loss on intangible assets	(95)	-
Loss (gain) on equity method investments	(173)	63
Gain on valuation of long-term financial investments	(1)	(1)
Gain on cancellation of lease agreement	(599)	(1)
Share-based compensation	4,607	2,366
	<u>\$ 411,003</u>	<u>\$ 426,210</u>

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36. Consolidated Financial Statements of Cash Flows (cont'd)

	Year ended December 31, 2025	Year ended December 31, 2024
Changes in operating assets and liabilities:		
Trade receivables and other receivables	\$ (83,466)	\$ 138,933
Inventories	181,243	71,926
Other current assets	(27,444)	4,696
Other non-current assets	(12,104)	(15,433)
Trade payables and other payables	182,960	(227,920)
Derivatives	1,245	(5,426)
Provisions	(20,707)	(14,334)
Other current liabilities	75,959	(33,168)
Payment of retirement benefits (defined benefit plan)	(23,766)	(26,229)
Plan assets	8,826	8,468
Other non-current liabilities	12,427	34,385
	<u>\$ 295,173</u>	<u>\$ (64,102)</u>

Significant non-cash transactions for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Years ended December 31, 2025	Years ended December 31, 2024
Transfer from construction-in-progress to property, plant and equipment and intangible assets	\$ 121,524	\$ 98,224
Increase(decrease) in other payables related to the acquisition of property, plant, and equipment	7,453	(5,679)
Decrease in other payables related to the acquisition of intangible assets	(3,020)	(212)
Acquisition of right-of-use assets	31,784	40,463
Retirement of treasury shares	139,045	-
	<u>\$ 296,786</u>	<u>\$ 132,796</u>

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36. Consolidated Financial Statements of Cash Flows (cont'd)

Details of adjustments to liabilities arising from financing activities for each of the two years in the period ended December 31, 2025 are as follows (in thousands of USD):

	Years ended December 31, 2025				
	Corporate bonds	Borrowings	Sales and leaseback	Lease liabilities	Total
Beginning balance	\$ 49,635	\$ 1,174,938	\$ 45,282	\$ 123,979	\$ 1,393,834
Acquisition of right-of-use assets	-	-	-	31,784	31,784
Cash flows	-	(211,714)	(4,224)	(41,249)	(257,187)
Foreign exchange differences	-	18,715	3,248	5,099	27,062
Other non-financial changes	150	2,198	-	(4,370)	(2,022)
Ending balance	<u>\$ 49,785</u>	<u>\$ 984,137</u>	<u>\$ 44,306</u>	<u>\$ 115,243</u>	<u>\$ 1,193,471</u>

	Years ended December 31 2024				
	Corporate bonds	Borrowings	Sales and leaseback	Lease liabilities	Total
Beginning balance	\$ -	\$ 920,641	\$ 51,419	\$ 129,036	\$ 1,101,096
Acquisition of right-of-use assets	-	-	-	39,917	39,917
Cash flows	49,550	265,072	(5,466)	(35,547)	273,609
Foreign exchange differences	-	(22,386)	(671)	(3,261)	(26,318)
Business combination	-	10,153	-	418	10,571
Other non-financial changes	85	1,458	-	(6,584)	(5,041)
Ending balance	<u>\$ 49,635</u>	<u>\$ 1,174,938</u>	<u>\$ 45,282</u>	<u>\$ 123,979</u>	<u>\$ 1,393,834</u>

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37. Business Combination

In accordance with the resolution of the Board of Directors made on June 12, 2024, the Group acquired 100% of shares in Mottrol Co., Ltd. and its subsidiary from Socius Well to Sea Investment No. 2 Corporate Financial Stability Co., Ltd. on October 4, 2024. Mottrol Co., Ltd. and its subsidiary produce hydraulic components used in industrial machinery, with main products including travel motors, swing motors, main pumps, and main control valves. The Group expects synergies from the acquisition through the diversification of its product portfolio.

Details of the consideration transferred and the assets acquired and liabilities assumed recognized in the consolidated financial statements for the year ended December 31, 2024 on the acquisition date related to the business combination are as follows (in thousands of USD):

	<u>Fair values recognized</u>
I. Consideration transferred	
Cash	\$ 183,491
II. Identifiable assets and liabilities	
Assets:	217,162
Cash and cash equivalents	27,984
Trade and other receivables	47,201
Inventories	26,139
Property, plant and equipment	81,236
Intangible assets ¹	22,169
Right-of-use assets	4,796
Other assets	7,637
Liabilities:	47,755
Trade and other payables	24,241
Borrowings	10,153
Lease liabilities	418
Deferred tax liabilities	7,360
Other liabilities	5,583
Total identifiable net assets at fair value	<u>\$ 169,407</u>
III. Goodwill	<u>\$ 14,084</u>

¹ Including the identifiable technological value of Mottrol Co., Ltd. amounting to \$ 19,399 thousand.

The costs of \$ 1,737 thousand directly related to the acquisition in connection with the business combination were expensed as incurred. The Group prepared the consolidated financial statements assuming the business combination occurred on October 1, 2024. The sales and net loss of Mottrol Co., Ltd. and its subsidiary for the year ended December 31, 2024 after being included in the consolidation scope amount to \$ 32,324 thousand and \$ (-)934 thousand, respectively.

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37. Business Combination (cont'd)

If Doosan Mottrol Co., Ltd. and its subsidiary had been included in the scope of consolidation from the beginning of the reporting period of the year ended December 31, 2024, the sales and net income would have been recognized in the consolidated statement of profit or loss for the year ended December 31, 2024 as follows (in thousands of USD):

	<u>Amounts before adjustments</u>	<u>Adjustments</u>	<u>Amounts after adjustments</u>
Sales	\$ 6,269,305	\$ 120,695	\$ 6,390,000
Net income	413,029	(5,816)	407,213

Meanwhile, Mottrol Co., Ltd. changed its name to Doosan Mottrol Co., Ltd. for the year ended December 31, 2024.

38. Events after the reporting period

On February 2, 2026, the Group completed the liquidation of its subsidiary, JSC Doosan International Russia, as part of efforts to enhance management efficiency.

On February 11, 2026, the Board of Directors of the Company resolved to declare a regular cash dividend amounting to USD 33,364 thousand.

The subsidiary, Doosan Mottrol Co., Ltd., resolved to establish Doosan Mottrol India Private Limited, in which it holds a 100% equity interest, for the purpose of strengthening its competitiveness in the hydraulic equipment business, and the establishment was completed on March 7, 2026.

Audit opinion on internal control over financial reporting

The accompanying independent auditor's report on internal control over financial reporting is attached as a result of auditing the internal control over financial reporting of Doosan Bobcat Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") and the consolidated financial statements of the Group for the year ended December 31, 2025 in accordance with the Article 8 of the *Act on External Audit of Stock Companies*.

Attachments:

1. Independent auditor's report on internal control over financial reporting
2. Management's report on the effectiveness of the internal control over financial reporting for consolidation purposes



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Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: + 82 2 783 5890
ey.com/kr

Independent auditor's report on internal control over financial reporting (English translation of a report originally issued in Korean)

Doosan Bobcat Inc. The Shareholders and Board of Directors

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting ("ICFR") of Doosan Bobcat Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") based on the *Conceptual Framework for Design and Operation of ICFR* established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2025.

In our opinion, the Group's ICFR has been effectively designed and operated, in all material respects, as of December 31, 2025 in accordance with the *Conceptual Framework for Design and Operation of ICFR*.

We also have audited, in accordance with Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, of the Group, and our report dated March 16, 2026 expressed an unqualified opinion thereon.

Basis for opinion on ICFR

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of ICFR section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of ICFR in the Republic of Korea, 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.

Responsibility of management and those charged with governance for ICFR

Management is responsible for designing, implementing and maintaining an effective ICFR, and for assessing the effectiveness of the ICFR included in the accompanying Management's report on the effectiveness of internal control over financial reporting for consolidation purposes.

Those charged with governance are responsible for overseeing the Group's ICFR process.

Auditor's responsibilities for the audit of ICFR

Our responsibility is to express an opinion of the Group's ICFR based on our audit. We conducted our audit in accordance with KSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective ICFR was maintained in all material respects.

An audit of the ICFR involves performing procedures to obtain audit evidence as to whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit also includes testing and evaluating the design and operation of ICFR based on obtaining an understanding of ICFR and the assessed risk.

ICFR definition and inherent limitations

A company's ICFR is implemented by those charged with governance, management, and other employees and is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"). A company's ICFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with KIFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, ICFR may not prevent or detect material misstatements of the consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that ICFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Jee Hoon Kim.



March 16, 2026

This audit report is effective as of March 16, 2026, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR and may result in modifications to this report.

Management's report on the effectiveness of internal control over financial reporting for consolidation purposes

(English translation of a report originally issued in Korean)

To the Shareholders, Board of Directors, and Audit Committee of Doosan Bobcat Inc.:

As the Chief Executive Officer ("CEO") and the Internal Control over Financial Reporting ("ICFR") Officer of Doosan Bobcat Inc. (the "Company"), we have evaluated the effectiveness of the design and operation of the Company's ICFR as of December 31, 2025, for consolidation purposes.

The management of the Company, including the CEO and the ICFR Officer, is responsible for the design and operation of the Company's ICFR for consolidation purposes. We evaluated whether the Company's ICFR for consolidation purposes is effectively designed and operated to prevent and detect errors or fraud that could lead to misstatements of the consolidated financial statements, in order to ensure the preparation and disclosure of reliable consolidated financial statements.

In evaluating the design and operation of the ICFR for consolidation purposes, the CEO and the ICFR Officer used the Conceptual Framework for Design and Operation of Internal Control over Financial Reporting, established by the Operating Committee of ICFR of Korea, as the basis. Furthermore, we used the Standard for Evaluation and Reporting of Internal Control over Financial Reporting, set forth in Appendix 6 of the Implementation Guidelines for the Regulation on External Audit and Accounting, etc., as the evaluation criteria.

Based on our evaluation, the Company's ICFR for consolidation purposes as of December 31, 2025, is effectively designed and operated, in all material respects, in accordance with the Conceptual Framework for Design and Operation of Internal Control over Financial Reporting.

We certify that this report does not contain any false statements or representations, nor does it omit any material facts required to be included. We also confirm that this report does not contain any information that could cause material misunderstanding, and that we have reviewed and verified the contents of this report with due care.

(Attachment)

- Internal control activities performed by the Company to respond to treasury fraud risks, such as embezzlement.

February 26, 2026

Chief Executive Officer

Scott Sungchull Park

ICFR Officer

Duck Je Cho



● Internal control activities performed by the Company to respond to treasury fraud risks, such as embezzlement

Classification	Control activities performed by the Company	Entities subject to ICFR ²⁾	Design and operation effectiveness assessment result
<p><u>Entity-level controls</u></p>	<p><Operation of Ethics/Code of Conduct Violation Reporting Program> The Company operates formal communication channels to enable employees and external service providers to report violations of Ethics/Code of conduct (such as potential fraud, illegal acts, financial reporting irregularities, and ethical compliance deficiencies). Furthermore, the Company maintains a robust whistleblower protection policy to ensure that no reporter faces retaliation or adverse treatment. (Significant matters are reported to the Audit Committee as necessary)</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 8 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
	<p><Fraud Risk Assessment related to ICFR> The Company conducts annual fraud risk assessments focusing on fraudulent financial reporting, misappropriation of assets, and corruption. Based on the results of the risk assessment, the Company reflects the identified risks in ICFR and the internal audit plan to effectively manage and mitigate identified risks. The results of the assessment and related activities are reported to the Audit Committee.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 8 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>

<p><Segregation of Duties and Compensating Controls> Management segregates incompatible duties (e.g., recording transactions, authorizing transactions, and maintaining custody of related assets). When such segregation is not feasible (e.g., due to manpower constraints), management establishes and operates appropriate compensating controls to mitigate the associated risks.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 8 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Opening and Closing of Bank Accounts> The head of the Treasury Team reviews the appropriateness of bank account openings and closures and approves the request.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Monitoring of Bank Account Balances> The Treasury team staff obtains original bank balance statements for all accounts from financial institutions, reviews whether the balances agree with the general ledger balances, and obtains approval from the authorized approver.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Review and Reporting of Long-term Inactive Accounts> At least once a year, the Treasury team staff performs a review of long-term inactive bank accounts, determines whether bank accounts should be closed, and obtains approval from the authorized approver.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat Korea (DBKR) and 4 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>

Treasury controls¹⁾

<p><Approval and Reconciliation of Seal Usage> On a quarterly basis, the seal management officer reviews the status of the vault custodian and confirms whether the vault password has been changed, obtaining approval from the authorized approver. Furthermore, the officer reconciles the usage logs for general/treasury seals against the relevant applications to verify the purpose of use and obtains approval from the authorized approver.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat Korea (DBKR) and 4 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Segregation of OTP Authorities and Monitoring > Authority to access OTPs is granted only to authorized approvers, and access by other personnel is restricted. Authorized approvers periodically inspect and manage OTP inventories.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 2 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Restriction on Fund Disbursement and Firm Banking Usage> The system is configured to automatically retrieve a payee's bank account information when the treasury staff designates the payee during the initiation of a payment voucher.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Review and Approval of Payment Data> When preparing a payment request, the AP Team manager reviews whether key information (including the payee details and bank account details) recorded in the purchase request is consistent with that in the supporting documents. Then, the head of the Treasury Team reconciles the payment request against the daily payment plan before granting final payment approval.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>

<p><Segregation of Duties for Payment Voucher Approval> The preparer and the approver of payment vouchers are segregated.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Daily Cash Reconciliation> The head of the Treasury Team reviews the reconciliation between the general ledger and bank balances and approves the daily cash report.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Review and Approval of New Borrowings> The head of the Treasury Team reviews and approves the key terms and conditions of proposals for borrowings and bond issuances. When a resolution from the Company's Board of Directors is required, the proposal is submitted to the Board of Directors for approval.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><Approval of Creation/Changes to Key Vendor Master Data> The head of the Accounting Team reviews the bank account verification form for collections and approves the request to register or change the vendor payment account information.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 6 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>

	<p><Review of Creation/Changes to Customer Master Data> When new customer information is registered or changed, the information must be reviewed by relevant departments and approved by an authorized approver prior to activation in the system.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 7 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>
<p><u>Other process-level controls</u></p>	<p><Approval of Inventory Quantity through Physical Count> The inventory audit coordinator in the Accounting Team reviews < Inventory Count Report> to ensure it includes the physical count results and any reconciliation of discrepancies, and subsequently obtains approval from the authorized approver.</p> <p><Restriction on Inventory Outbound Processing> The release of goods (Picking Release) is restricted unless a corresponding Sales Order (S/O) exists.</p>	<p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 7 other entities</p> <p>Doosan Bobcat (DBI), Doosan Bobcat North America (DBNA) and 5 other entities</p>	<p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p> <p>As a result of the assessment, no material weaknesses were identified. (Internal Control Team, May 2025, November 2025, January 2026)</p>

- 1) Treasury controls include management of checking accounts, deposit and withdrawal records, financing, and the management of checks and notes.
- 2) 10 Entities subject to ICFR: Doosan Bobcat Inc.(DBI), Bobcat Korea(DBKR), Bobcat North America (DBNA), Bobcat EMEA (DBEM), Mottrol(DMT), Mottrol China Jiangyin (DMCJ), Bobcat Yantai (BCY), Bobcat Suzhou (BCN), Bobcat Belgium (DBBE), and Rushlift (UK Forklift Rental Subsidiary)