



Dear Doosan Bobcat shareholders,

We have noted that the Board's approval of the comprehensive stock exchange with Doosan Robotics on July 11 has raised questions regarding the rationale and suitability of the proposed transaction. We regret the concerns this has caused among our valued shareholders.

The trend towards automation and unmanned solution driven by AI technology is increasingly shaping our core business of compact equipment for construction, landscaping, agriculture, and logistics. In view of this significant shift, we believe that the proposed integration with Doosan Robotics—which will begin with the comprehensive share exchange—will accelerate our technological advancements, thereby ensuring sustainable growth and solidifying our leadership in the future compact equipment market, and will increase the corporate value.

We would like to provide our shareholders with a more detailed explanation of the background and strategic objective underpinning our integration with Doosan Robotics.

"Securing New Growth Driver" and "Maximizing Synergies"

Over the past decade, we have grown alongside the global construction equipment market and expanded our business into adjacent areas of construction, which has allowed us to achieve sustained growth in revenue and profit.

During this period, labor shortages, rapidly rising labor costs, and tightening safety regulations have emerged as clear megatrend across all industries. This has made "replacing human labor" an increasingly important technological challenge, leading to the widespread adoption of robotics technology. In particular, the rapid development of AI technology is accelerating the advancement of unmanned and automated systems.

This has been also true in the construction, landscaping, and logistics equipment industries—sectors that focus on "tools to replace human labor". Automated solutions based on AI technology have become prominent topics, and leading companies, including ourselves, are investing significantly in these future technologies, based on the belief that competitive automated technologies will be essential for securing future market leadership. As a result, many companies are actively pursuing collaborations or mergers and acquisitions with robotics firms developing new technologies. For example, Caterpillar, the world's leading manufacturer of construction equipment, acquired Marble Robot in 2020, and Deere & Co., the largest manufacturer of agricultural equipment, acquired Bear

Flag Robotics in 2021. We, too, have been working to secure automation technologies through technical cooperation with robotics software startups.

We believe that integrating with Doosan Robotics is an effective response to the technological challenges we face. As Doosan Robotics is also dedicated to developing automation technologies across a wide range of industries, we are confident that the integration of the two companies will allow us to combine our respective strengths and accelerate the development of future technologies.

In addition to securing a robust growth engine with the new robotics business, there are several concrete synergetic effects we anticipate from this integration with Doosan Robotics:

1) Securing a Leading Position in the Autonomous Off-road Vehicle and Machinery Market

- ✓ The market for autonomous off-road vehicle and machinery is expected to reach \$60 trillion¹⁾ by year 2031, driven by labor shortages, rising labor costs, and advances in AI technology. In order for us to take the leading position in this market, it is essential to robotize our existing products through the adoption of AI-driven robotics technology. Further, it is necessary to acquire various enabling technologies, such as vision recognition, digital twins, deep learning, and precision control.

1) Global Autonomous Off-road Vehicles and Machinery Market Analysis by Credence Research

- ✓ Doosan Robotics is one of the fastest-growing companies in the collaborative robotics industry with strong software capabilities in robotization. Through the merger with Doosan Robotics, which is also committed to addressing the technological challenges in automation, we aim to accelerate the robotization of our products. This will help us ensure continued competitiveness in the industrial unmanned and automated compact equipment market.

2) Accelerating Technological Innovation

- ✓ Doosan Robotics has achieved a high level of competitiveness and R&D capability for technology in “manipulator”, akin to human arms and hands, and has strong capabilities in software development including robot operation platforms. Meanwhile, we specialize in mobility technologies such as electrification and autonomous driving, with robust R&D capabilities in the US and Europe. To enhance our AI and automation technologies—common areas of interest to both companies—we will actively seek technology alliances and mergers with startups possessing relevant leading technologies to accelerate our

technology acquisition.

- ✓ By combining our technological capabilities and acquiring additional external companies, we aim to capture the rapidly growing professional services robotics market, which requires various types of robots, by launching competitive solutions such as the Mobile Manipulator (MoMa).

3) Improve Production Automation and Investment Efficiency

- ✓ We have continuously aimed to improve our production processes and productivity through automation solutions in our factories, and we expect the merger with Doosan Robotics to further accelerate these improvements.
- ✓ As noted, we anticipate that the merger with Doosan Robotics will streamline the investment processes of both companies, preventing redundant investments in shared areas of interest, such as AI and automation, and allowing us to pursue aggressive investments to improve investment efficiency.

Share Exchange as the First Step Towards Integration with Doosan Robotics

To begin the integration process, Doosan Bobcat and Doosan Robotics will carry out a comprehensive stock exchange, wherein Doosan Bobcat shareholders will receive Doosan Robotics shares.

It is important to note that the Doosan Robotics shares involved in this exchange will be of the new, integrated entity formed by the merger of two companies, not the pre-merger Doosan Robotics. That is, as the integrated entity, Doosan Bobcat and Doosan Robotics will share business and financial performances.

While some have focused on just the fact that Doosan Bobcat shares will be exchanged for Doosan Robotics shares, we would like to reiterate that the *substance* of the combined entity must be considered.

After the share exchange, we will quickly initiate the integration of the two companies to operate as one company.

Shareholder Return in the Integrated Entity

We will retire all existing treasury shares, as well as the shares to be acquired through dissenting shareholders' exercise of appraisal right in the process of comprehensive stock exchange. This is expected to increase the value of the shares of the combined entity.

Further, the combined entity will adopt our current dividend policy, maintain the same dividend per share, and actively enhance shareholder returns based on its business performance.

Appropriateness of the Exchange Ratio

The most objective indicator of a company's market value is its share price, reflecting the balance between supply and demand in numerous trades in the market over an extended period of time. Acknowledging this, the Financial Investment Services and Capital Markets Act in Korea mandates merger transactions between publicly listed companies to be executed in full deference to the market prices, including the calculation of exchange ratios¹⁾. In addition, as a systematic measure to reduce the impact of market price fluctuations, the Act requires the calculation of the arithmetic average of the volume-weighted average share price over a specific period²⁾.

1) The merger between non-affiliated listed companies allows for other measures to enhance corporate autonomy and global alignment under pending legislation. However, for affiliated companies, only market prices are still applied due to concerns about the arbitrary decisions of the major shareholders.

2) Exchange price = (Weighted avg. share price over 1 month + over 1 week + the day before the Board's meeting) / 3

We believe that the exchange price of Doosan Bobcat and Doosan Robotics, set at KRW 50,612 and KRW 80,114 respectively, are at reasonable levels, considering 2024 year-to-date average share prices (KRW 51,041 and KRW 80,564 respectively) and most traded price bands (KRW 45,000~55,000 with 81% of volume to total trades and KRW 75,000~85,000 with 34% of volume to total trades respectively).

Suggestions for Shareholders

Since announcing the restructuring plan, we have engaged with investors from Korea and abroad and tried to address their concerns, but due to the complexity of the transaction, we were unable to fully build consensus with our shareholders regarding necessity of the integration or the legitimacy of the procedures. We apologize for this.

As explained, the proposed integration with Doosan Robotics, which will be ultimately decided by

our shareholders at the extraordinary general meeting, is expected to accelerate our technological innovation and enable sustainable long-term growth. We believe this represents a valuable opportunity that aligns both shareholder interests and the Company's growth objectives.

We respectfully encourage you to consider the future growth prospects of the company when making your decision.

Thank you.

Scott Park, CEO, Doosan Bobcat Inc.