This presentation, prepared in accordance with K–IFRS, provides preliminary results prior to the completion of an external audit for the convenience of investors only. It contains forward-looking statements that are inherently subject to risks and uncertainties, unexpected changes in market conditions and subsequent adjustments in the company’s strategies, which may cause actual results to differ materially from the projections made in this presentation.

The responsibility for any investment decision based upon the information contained in this presentation falls on the investor. We do not undertake any duty to update any forward-looking statement.
### Overview of DSME Acquisition Deal

<table>
<thead>
<tr>
<th>Stakes and amount</th>
<th>49.3% common shares of DSME, about 2 trillion Korean Won</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase price</td>
<td>KRW19,150 (applying 10% discount to price designated by Korean law)</td>
</tr>
<tr>
<td>Expected deal time table</td>
<td>Sep.26, 2022: Investment agreement signed</td>
</tr>
<tr>
<td></td>
<td>Oct.-Nov.2022: Due diligence, competing bidding (stalking horse)</td>
</tr>
<tr>
<td></td>
<td>Nov.2022: Acquisition contract signed</td>
</tr>
<tr>
<td></td>
<td>End Dec.2022: Application of approval for M&amp;A</td>
</tr>
<tr>
<td></td>
<td>End Mar.2023: Approval of M&amp;A and deal closing</td>
</tr>
<tr>
<td>Acquirers</td>
<td>Hanwha Aerospace (1 trillion), Hanwha Systems (0.5 trillion)</td>
</tr>
<tr>
<td></td>
<td>4 other Hanwha Group entities (0.5 trillion)</td>
</tr>
<tr>
<td>Method of acquisition</td>
<td>Third-party allotment offering by DSME to Hanwha Group entities</td>
</tr>
</tbody>
</table>

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**Diagram:**

- **Hanwha Impact Partners** (9.9%) → **DSME** (2.5%, KRW400 billion, 9.9%) → **Hanwha Energy affiliates** (2.5%, KRW100 billion)
- **Hanwha Impact Partners** (9.9%) → **DSME** (2.5%, KRW400 billion, 9.9%) → **Hanwha Systems** (12.3%, KRW 500 billion)
- **Hanwha Impact Partners** (9.9%) → **DSME** (2.5%, KRW400 billion, 9.9%) → **Hanwha Aerospace** (24.7%, KRW 1 trillion)
- **Hanwha Impact Partners** (9.9%) → **DSME** (2.5%, KRW400 billion, 9.9%) → **Hanwha Systems** (12.3%, KRW 500 billion)
Due to regional conflicts and climate change, national security and energy security have become even more pressing needs.
As geopolitical instability grows, the demand for national security industry has continuously been on the rise.

Geopolitical instabilities due to Ukraine–Russian War and intensifying competition between the US and China over global hegemony have led to the increasing demand for national security industry, particularly in the European countries which decided to strengthen their defense power, and NATO member countries of which defense spending was pushed up to 2% of GDP, as well as in other countries who ranked high in the current defense expenditure.

**The U.S.**

**1st place**

Year 2022 defense spending

$778 Bn

Taking part in the US Army’s next generation OMFV (Optionally Manned Fighting Vehicle) Program.

Business size: $54 trillion of the total program budget.

To replace around 7,000 sets of M2 Bradley Armored Vehicles.

*(US) OshKosh–(ROK) Hanwha Consortium is participating*

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**The U.K.**

**5th place**

Year 2022 defense spending

$59 Bn

Advancing to the U.K.’s next generation self-propelled howitzer market.

Business size: The total program budget is set at more than W1 trillion won.

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**Australia**

**12th place**

Year 2022 defense spending

$28 Bn

Working on K9 Self Propelled Howitzer Program.

Size: The total program budget is above W1 trillion.

Pursuing the contract award for Redback Armored Vehicle Program.

Business size: The total program budget will be above W10 trillion.

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**Middle East**

Saudi Arabia

$58 Bn

Working on tactical surface-to-surface, air defense guided missile programs.

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**Poland**

**Strategic export target country**

Poland increased the country’s defense budget from 2.2% to 3% and to 5% against its GDP.

Strategic items: SPH, armored vehicle and guided missiles

To make Poland as the strategic base for production and R&D and further expand the market.

In August 2022, the contracts worth W3.2 trillion for K-9 and SPH were signed.
Synergies with Hanwha Aerospace

By acquiring DSME, Hanwha Aerospace can expand the scope of its Global Total Defense Solutions to cover all the domains including the ocean and the space.

1. (Common) To strengthen and expand its positions in maritime defense market.
   - To secure maritime defense market as a party of Total Defense Player Strategy.
   - Hanwha Aerospace’s business strategy scope will be enlarged from the current space/defense to space/defense/maritime/defense.
   - DSME’s shipbuilding and maritime R&D capabilities will be combined with Hanwha Aerospace’s defense business and MRO capabilities.
   - By reorganizing and integrating defense R&D centers, we will be able to enhance new product development capabilities while securing the future growth engines.
   - To strengthen our local business positions and increase revenues with more powerful engagement efforts for the government clients (DAPA, etc.)
   - To create synergies among DSME’s naval vessel programs, Hanwha Aerospace’s naval vessel engines and Hanwha Corporation’s guided weapons.

2. (Export) To transform Hanwha Aerospace into a global defense product provider by expanding into overseas maritime defense market.
   - To integrate both companies’ global networks in Middle East, Asia and Europe.
   - To secure main platform system portfolios for naval vessels such as combat ships and submarines.
   - To provide secure follow-on support including localization and integrated MRO, etc.

3. (Commercial) To combine defense R&D elements into commercial maritime vessels for eco-friendly, smart vessels, etc.
   - To expand market by utilizing electrical propulsion systems and eco-friendly CERS technologies to commercial maritime vessels.
Synergies with Hanwha Systems

By acquiring DSME, Hanwha Systems is to expand its Global Total Defense Solutions portfolios to cover all the domains including the ocean and the space.

1. (Common) To expand business areas.
   - Thru collaboration between Korea’s only naval CMS (Combat Management Systems) company and Korea’s No.1 shipbuilder, HSC can further expand its defense business areas.
   - To enlarge and advance into new business areas including naval vessel IT systems, sensor/weapon systems, unmanned naval systems and manned-unmanned teaming systems, etc.
   - As there will be more requirements for smart ships and smart production facilities, HSC’s ICT Business can grow together.

2. (Overseas) To expand the export markets (countries) and secure competitive products for export.
   - To secure the bases for export and expand the list of strategic export base countries.
   - To secure globally competitive products thru naval vessels’ standardized/modular designs and vertical integration of naval vessel weapons systems.

3. (Commercial) To expand LEO satellite communication market and develop autonomous navigation commercial vessels.
   - To expand the maritime market for Communication-On-The-Move by utilizing LEO satellite and LEO satellite communication antenna.
   - To usher in the era of next generation unmanned autonomous vessels by applying maritime unmanned systems technologies.
Synergies with Hanwha Systems

By acquiring DSME, Hanwha Systems is to expand its Global Total Defense Solutions portfolios to cover all the domains including the ocean and the space.

Naval vessel program demand forecast

The future naval vessel export market is expected to grow from $208 in 2022 to $288 in 2031, of which the ten-year cumulative figure is as much as $2738. The export market volume is forecasted at around $1008 for 10 years on an accumulative basis.

Export network expansion

In particular, the demand for DSME’s 3,000-ton diesel submarine is likely to grow as the operation sea areas are being enlarged. Its performances have been well-proven in Korea (Jang Bo-Go Class III) while other global key players are yet to have that product, rendering the submarine competitive for the export market. Demands have been identified from India, Australia and Canada. If Hanwha Group’s defense export networks can be tapped into, the export opportunities for the product will grow further to be sold at around 20 countries worldwide.
Europe, The Game Changer,
turning to LNG imports instead of PNG supplied by Russia,
resulting in exponential growth in LNG demand (+LNG shipping demand)

Long-term LNG contracts more-than doubled over the recent one year

20 MTPA

48 MTPA

2020

2021

PNG supplied by Russia exceeds LNG exports by U.S and Middle East, respectively

167 BCM

115 BCM

95 BCM

130 BCM

Source: Shell

Source: BP Statistical Review of World Energy 2022
Completing Hanwha Group’s green energy value chain by acquisition of DSME

LNG production–shipping–power generation

**LNG Value Chain of Hanwha Group**

**LNG production**
- **Hanwha Energy**
  - Purchase of LNG from France’s Total Energies (600K tonnes/year, 15 years)

  **NextDecade**
  - Developing Rio Grande LNG Project in Texas, U.S. (processing 27 million tons/year, invested by Hanwha Impact)

  **DSME**
  - F-LNG (Floating LNG)

**LNG shipping**
- **DSME**
  - Shipping (LNG tanker), FSRU (Floating Storage and Regasification Unit), Floating LNG fuel supply

**LNG power generation**
- **Hanwha Energy**
  - Developing LNG power plant (1,012MW) and storage tank (Tongyeong Eco-power) with JV partner
Energy security accelerates energy transition to LNG and renewable energy

Global offshore wind installation to increase by more than 2.5x over the next decade

- Europe
- China
- Asia ex China
- North America
- Other

Source: Global Wind Energy Council

Global hydrogen demand to increase more than double over the next decade

Source: IEA
Completing Hanwha Group’s green energy value chain by acquisition of DSME

Green hydrogen/ammonia production—shipping—power generation/storage
Completing Hanwha Group’s green energy value chain by acquisition of DSME

Offshore wind plant → power generation → green hydrogen/ammonia

Offshore Wind Value Chain of Hanwha Group

Offshore wind plant

Offshore wind power generation

Hanwha Solutions
Expanding highly profitable offshore wind power generation projects in U.S. and Europe

Hanwha Corp. (Construction business division)
Developing domestic onshore/offshore wind power generation projects

Green hydrogen/ammonia

Storage/fueling of green hydrogen/ammonia based on offshore wind power

Hanwha Solutions
Production of green hydrogen utilizing water electrolysis technology

Hanwha Impact
Engineering/equipment based on ammonia decomposition technology

Hanwha Corp. (Global business division):
Production of nitric acid based on ammonia